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# ***Daily Report***

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## **China**

**FBIS-CHI-89-184  
Monday  
25 September 1989**

# Daily Report

## China

FRENCH 89-104

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25 September 1989

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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# HONG KONG

## Hong Kong

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## General

### Embassy Spokesman Criticizes IDU's Declaration

OW 2409/150289 Beijing XINHUA in English  
1433 GMT 24 Sep 89

[Text] Tokyo, September 24 (XINHUA)—A Chinese Embassy spokesman here today expressed regret and indignation over what he described as wanton interference in China's internal affairs by the International Democratic Union (IDU).

The spokesman was referring to the IDU's "Tokyo Declaration" issued yesterday that viciously attacked China's actions in June to quell the anti-government demonstrations in Tiananmen Square.

"It is known to all that the anti-government riot occurring in Beijing not long ago was an event provoked by a handful of people with ulterior motives to topple China's legal government and subvert the socialist People's Republic of China," he said.

"The quelling of the riot by the Chinese Government with decisive measures is entirely in keeping with the fundamental interests of the Chinese people, including the mass of student youth," he said. "It was to safeguard the social stability and unity and to carry out better the reform and open policy."

"Despite the truth of the matter, and with some lies and prejudice, the declaration flagrantly censured such a just action compatible with China's constitution and law and continued putting pressure on China. This is a rude interference in China's internal affairs and a violation of generally recognized principles governing international relations," the spokesman said.

"China is a sovereign country with the initiative in its own hands. Any so-called 'sanctions' trying to make China yield to their pressure are in vain and can only harm their own interests in the end," the spokesman said.

The IDU declaration was issued here at the end of the IDU's fourth conference attended by conservative political party leaders from 17 countries.

### Li Guixian Leads Delegation to IMF Meetings

#### Group Departs

OW 2409/141989 Beijing XINHUA in English  
1143 GMT 23 Sep 89

[Text] Beijing, September 23 (XINHUA)—A Chinese delegation headed by Li Guixian, state councillor and governor of the People's Bank of China, left here today for Washington, the United States to attend the 44th joint annual meeting of the International Monetary Fund (IMF) and World Bank.

The meeting is scheduled between September 26 and 28.

### Qin Qing on Developing Economies, (Web)

OW 2409/1509 Beijing XINHUA in English  
1607 GMT 23 Sep 89

[Text] Washington, September 23 (XINHUA)—China opposes imposition of a particular model of development on developing countries which are engaged in structural adjustment, a senior Chinese official said here today.

Qin Qing, deputy governor of the People's Bank of China, said China believes that adjustments, which are undoubtedly necessary for developing countries, "must conform with the development objectives and policies of the countries concerned."

She was addressing the 41st ministerial meeting of the Group of 24, which began here today. Formed by developing countries in 1972, the G-24 meets at regular intervals, usually in conjunction with the ministerial meetings of the International Monetary Fund (IMF), to determine the developing countries' positions for their meetings and related matters.

"Attempts to adopt a single approach or indeed, impose a particular model of development on all the countries concerned, must be avoided," she said.

Despite continuous economic growth in the industrial countries over an extended period and great expansion in world trade, developing countries, particularly the heavily indebted ones, are plagued with falling per capita income, she said. "The trend of the rich getting richer and the poor poorer continues."

She noted that since the last annual meetings of the IMF, efforts have been made to help developing countries reduce the debt and debt services. These efforts, though positive, nevertheless "have not been sufficient to alleviate the debt burden to a manageable level," she said.

"China supports the greater role in debt strategy by the international financial institutions, and it is our hope that all parties concerned, in the spirit of cooperation, will join efforts to help improve the deteriorating economies of the debtor countries through the reduction of debt and debt services and the provision of new funds," she said.

Referring to the world environmental pollution, she said that the industrial countries "should bear the main responsibility for its remedy."

"The priority task of developing countries is economic development, for only through sustained development and the alleviation of poverty can the battle against pollution succeed," she said.

She called on the industrial countries to provide developing countries with the funds and technology in this regard as "part of the international efforts to protect global environment."

She also urged international financial institutions and developed countries not to take the form of restrictive conditions in providing funds for development projects or shift funds from traditional development projects.

She said that China supports a substantial increase in quotas of IMF's member countries.

"In the interests of the developing member countries as a whole, the distribution of quotas should incorporate a predominant equiproportional element so that their relative share of quotas and voting power will not deteriorate further," she said.

She appealed the international community to draw new and effective guidelines for international economic cooperation so as "to ensure that the 1990s will bring an acceleration in growth and economic recovery in the developing countries."

#### Qiu on External Imbalances

(HWS/0601/1989 Beijing XINHUA in English  
0043 GMT 25 Sep 89)

[Text] Washington, September 24 (XINHUA)—Qiu Qiong, deputy governor of the People's Bank of China, today urged industrial countries to improve external imbalances to maintain sustainable growth of the world economy.

Qiu made the call at the 33rd meeting of the Interim Committee of the Board of Governors of the International Monetary Fund (IMF), which opened this morning.

She also called for the alleviation of the debt-service burden of the developing countries and the revitalization of their economic growth.

She noted that in removing their external imbalances, the major industrial countries should make their domestic economic policies compatible with the long-term objective of maintaining steady growth for the world economy as a whole.

"These countries should continue to strengthen their policy coordination in order to create a favorable global environment so as to reduce the debt burden of the developing countries and sustain world economic growth," she said.

She said that while making efforts to correct their external imbalances as well as stabilize the interest and exchange rates, industrial countries should take into full account the impact of their economic policies on the world economy and maintain appropriate levels of domestic aggregate demand to prevent economic recession.

She noted that in this regard, deficit countries should strive to reduce fiscal deficits, make structural adjustment and enhance domestic savings, while surplus countries should intensify structural adjustment and keep the growth momentum of domestic aggregate demand.

Recalling the world economic development since the second quarter this year, she pointed out that the unfavorable external developments such as the falling international commodity prices, the increase of the current account deficit of developing countries and the reduction of their international reserve level, continue to cloud the outlook of the debt problem and, economic growth for many developing countries.

She said that far-reaching objective of the debtor strategy is to secure the stability of the overall international financial system and the sustain ability of the world's economic growth through the promotion of economic growth of the developing countries.

"We hope that the major industrial countries will increase their official financial support to the developing countries and take reform measures in their regulatory, tax, and accounting systems so as to prompt commercial banks to actively participate in debt-reduction operations," she said.

At the same time, she also called on the industrial countries to "roll back trade protectionism and open wider their markets to the exports of developing countries to help them break through the vicious cycle and revive their economic growth."

#### Celebration To Signal All-Clear for CITH

(HWS/0601/1989 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Sep 89 pp 1, 8)

[By Lulu Yu]

[Text] A firm penalised by the Chinese Government for corruption last month, plans to celebrate its 50th anniversary with a lavish party attended by international dignitaries including Mr Edward Heath and General Alexander Haig.

Mr Heath, former British Prime Minister, and General Haig, former U.S. Secretary of State, have been invited to join China International Trust and Investment Corporation (CITIC) and government officials including Communist Party Secretary Jiang Zemin, for a banquet at the Great Hall of the People on October 3.

Most senior Chinese leaders, with the exception of 85-year-old Deng Xiaoping, are expected to turn up, showing their support for the troubled state-backed company.

Mr Heath and General Haig, both considered old friends of China, are among 180 foreign dignitaries on the 1,000-name guest list.

The event comes amid a nationwide campaign against corruption and special privileges and clears the air about the future of CITIC, China's flagship company in attracting foreign investment.

It also reflects China's desire to reaffirm its open-door policy to the world, and growing pacifism by Britons and

Americans towards a regime which sanctioned the June 4 Tiananmen Square massacre.

Another former U.S. Secretary of State, Dr Henry Kissinger, has been invited to meet CITIC officials in Beijing in November after his trip to Hong Kong.

The planned visits by General Haig and Dr Kissinger have been kept under wraps to avoid protests that the U.S. is moving too rapidly to mend relations with China.

The influential foreign politicians are expected to make unofficial contacts with Chinese leaders through receptions and private meetings.

This should smooth the way for American and British businessmen to continue to deal with China and take advantage of vast market opportunities.

The new development also means that CITIC officials, who have been the target of a year-long investigation, will be given the all-clear to continue with their trading, financial and investment activities.

The giant firm, with offices around the world, has more than 180 staff members who belong to families of government officials of, or above, ministerial level.

In a move aimed at keeping state companies such as CITIC at arm's length from the party and the government, China this month abolished their official status, thus turning them into self-supporting commercial concerns.

China watchers say the move could be designed to spare "privilege" members of state companies from being drawn into the current clampdown on nepotism and corruption.

Some of the prominent personalities in state-backed firms include Mr Wang Jun, son of Vice-President Wang Zhen and a director of Hong Kong's Everbright Corporation; Mr Deng Zifang, son of Mr Deng and consultant at CITIC's New York office; Ms Yang Li, daughter of State President Yang Shangkun and controller at CITIC's Beijing headquarters; Mr He Ping, Mr Deng's son-in-law and head of the arms-dealing firm Polytechnic in Beijing; and Ms Xi Liang, wife of Hong Kong and Macao Affairs Office deputy director Lu Ping and an official of CITIC in Hong Kong.

While five Chinese firms including CITIC were last month fined a total of 51.3 million yuan (HK\$108 million), the move was seen as largely cosmetic because of the small amount involved and the lack of further disciplinary action.

CITIC, which had to cough up 18.8 million yuan (HK\$39.48 million) for tax evasion and dealing in foreign currency without permission, made profits of more than HK\$300 million last year, 60 per cent of which came from the territory.

The company has extensive interests in 23 industries worldwide, with investments ranging from car parts to tunnels and airlines.

The fate of its boss and founder, Mr Rong Yiren, had been uncertain since the closure of the Kang Hua Development Corporation headed by Mr Deng Pufang in July.

But it is now clear that his economic and political clout prevails, clearing the path for CITIC's unhampered growth.

A highly-publicised directive ordering an end to the lifestyle of banquets, bribes and foreign jaunts handed down in July apparently has had little effect on CITIC's plans for its 10th anniversary.

The focus of the Chinese leadership—reorganised since the ousting of disgraced party chief Zhao Ziyang—is clearly shifting towards conciliation with the West, starting with old friends such as Dr Kissinger and Mr Heath.

Dr Kissinger, a Nobel Peace Prize winner and Secretary of State in the Nixon administration, has defended China in its crackdown.

#### Delegations To Attend National Day Celebration

CH 2409/02589 Beijing XINHUA in English  
0921 GMT 24 Sep 89

[Text] Beijing, September 24 (XINHUA)—As guests of the Chinese Communist Party (CPC), a number of foreign party and government delegations will pay goodwill visits to China and attend celebrations of the country's 40th birthday, which falls on October 1, a CPC Central Committee International Liaison Department spokesman announced here today.

A party and state delegation from the German Democratic Republic led by Egon Krenz, who is member of the Political Bureau and the Secretary of the Central Committee of the Socialist Unity Party of Germany and vice-chairman of the Council of State, will visit China from September 25 to October 2. The seven-member group includes Wolfgang Raachhaus, member of the Central Committee and deputy chairman of the Council of Ministers.

A delegation from Burundi's party of Unity and National Progress led by Alphonse Kadege, deputy coordinator of the party's National Permanent Secretariat, will be here from September 25 to October 7.

A Kenyan delegation led by J. L. Lipoedi, who is a member of the National Executive Committee and national treasurer of the Kenya African National Union and vice-minister for Information and Broadcasting, will be in China on a two-week visit starting September 25.

Lucreti Soto, member of the Secretariat of the Cuban Communist Party Central Committee, and his group will visit China from September 29 to October 9.

Raul Baca, director of Ecuador's Democratic Left Party and minister of Social Welfare, and his wife will visit China from September 25 to October 6.

Tamio Kawakami, chairman of the Japan-China Special Committee of the Socialist Party of Japan, will lead a group to visit China from September 29 to October 1.

#### International Instruments Fair Opens in Shanghai

OH 2090212789 Beijing XINHUA in English  
1515 GMT 21 Sep 89

[Text] Shanghai, September 21 (XINHUA)—An international instruments and meters exhibition opened today in the Shanghai Exhibition Center.

It is sponsored by the Shanghai Scientific Instruments and Materials Company, Shanghai Instruments and Meters Society, Shanghai International Trade Information and Exhibition Corporation and SHK (Shui Hing Kai) International Services Ltd of Hong Kong.

More than 120 firms from Australia, Denmark, France, Japan, Switzerland, the United States, Britain, Federal Germany and Hong Kong are attending the exhibition. They include Hewlett-Packard and Perkin-Elmer China Ltd of the U.S., COMI S.A. of France, Shimadzu Corporation of Japan and Link Analytical Ltd of Britain.

The exhibits include various kinds of test instruments and medical, meteorological, and industrial automation instruments and meters. Products from 70 Chinese factories and research institutes are also on display.

The exhibition will close on September 28.

#### International Symposium To Mark Confucius Birth

OH 2209141189 Beijing XINHUA in English  
1256 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—An international symposium sponsored by the China Confucius Foundation and UNESCO will be held in early October in Beijing to commemorate the 2540th anniversary of the birth of Confucius which falls on September 28.

This was announced by Gong Dafei, deputy director of the China Confucius Foundation, here today.

Confucius has been known to the world as greatest ancient Chinese philosopher, educator, thinker and founder of Confucianism.

More than 300 scholars from 20 countries and regions including the United States, the Soviet Union, Japan, Singapore and Chinese mainland and Taiwan will take part in the symposium.

They will exchange views on the historical position of Confucius and the Confucian school, and their influence on the modern society.

The four-day conference is scheduled to open on October 7 in Beijing and end in Qufu City of Shandong Province, the sage's hometown.

### \* United States & Canada

#### Tractor Venture Begins in Tianjin

OH 2209152889 Beijing XINHUA in English  
1619 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—A Sino-U.S. tractor joint venture recently went into operation in Tianjin Municipality.

The Tianlong Dual-Wheel Tractor Co. Ltd. has an annual production capacity of 1,200 dual-wheel driven tractors, 80 percent of which are for export. The first shipment of the products has been exported to over 20 countries and regions, including the United States, Australia and Finland.

The tractor is equipped with many implements such as a plough, rake, weeder, reaper and seeder. Optional equipment includes a water pump, sprayer, electrical generator and fire extinguisher.

### Soviet Union

#### Supreme Soviet's Lukyanov Comments on Relations

OH 209012589 Beijing XINHUA in English  
0219 GMT 21 Sep 89

[Text] Moscow, September 22 (XINHUA)—First Vice President of the Supreme Soviet Anatoly Lukyanov has described his recent trip to China as "the start of extensive work on establishing qualitatively new relations between the supreme organs of state authority."

Lukyanov and the Soviet parliamentary delegation headed by him just returned from the visit to Beijing, Wuhan, and Shanghai at the invitation of the Standing Committee of the Chinese National People's Congress.

In an interview published by the Soviet newspaper IZVESTIYA today, Lukyanov said, "We have a great potential for the development of business relations. These are, above all, deeper economic relations which will be promoted by the present drafting of their program up to the year 2000."

"I mean coproduction, establishment of joint ventures and better use of the potential of our economies. We also spoke with our Chinese colleagues of existing opportunities in space explorations, electronics, public health and nature protection. We have great and promising prospects," he added.

The first vice president said he felt in China that "there was a chance to assimilate experience of our colleagues and share our own experience."



On recent developments in China, Lukatskiy said, "We also understood the difficulties encountered by China in the recent past, including developments which took place in May-June."

While saying "it is always preferable to solve burning problems in a country's development politically and not by force," he also stressed that "any interference in domestic affairs of a sovereign socialist state is inadmissible, as is any diktat [word as received] with respect to what means people and their leaders should take to tackle these problems."

#### Meeting Breaks Ground for Trade Groups

CH 2209/20589 Beijing Television Service  
in Mandarin 1400 GMT 21 Sep 89

[From the "Night News" program]

[Text] [Video opens with pictures showing a group of unidentified representatives from the offices of the Soviet and Polish commercial charge d'affaires and Soviet and Polish import and export companies. They are talking with their Chinese counterparts in a large room followed by shots taken from various angles of the participants of the meeting.] A preparatory meeting for the establishment of Sino-Soviet investment and trade associations was held in Beijing this morning. Attending the meeting were representatives from the offices of the Soviet and Polish charge d'affaires in Commercial Affairs and various major Soviet and Polish import and export companies. The meeting was mainly aimed at finding possible ways for enhancing Sino-Soviet economic cooperation and making preparations for the establishment of Sino-Soviet investment and trade associations. The meeting was also designed to promote the export of China's light industrial products to the Soviet Union. It was learned that both sides of the associations will bring into full play the economic and cultural superiority of China and the Soviet Union, make contributions towards promoting economic and cultural development and enhance cultural exchanges and economic ties between the two countries.

#### USSR To Help Survey Heilongjiang Valley

CH 2009/143409 Beijing XINHUA in English  
0119 GMT 21 Sep 89

[Text] Harbin, September 21 (XINHUA)—A letter of intent to make a comprehensive survey of the Heilongjiang River Valley was signed recently on the Soviet Union by the Heilongjiang Provincial Academy of Sciences and the Far East Branch of the Soviet Union's Academy of Sciences.

The Heilongjiang academy will invite representatives of the Soviet Academy to attend the ice festival here in January 1990.

At that time, the two sides agreed that they will have further discussions on how to preserve the ecological

balance in the region and how to deal with the relationship between resource exploitation and environmental protection.

The Heilongjiang River, with a drainage area of 1.841 million sq km, forms the border between the Soviet Union and China in this section. The river valley boasts rich hydroelectric energy, timber, grassland, oil, mineral and aquatic resources, as well as wild animals and plants.

The first joint survey was made in 1956. But since then, conditions have changed markedly.

#### Heilongjiang To Open Joint Venture Restaurant

SA 2509/11089 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 17 Sep 89

[Text] The first joint-venture enterprise between Heilongjiang Province and the Soviet Union, Heihe Chinese Restaurant, will be opened in the Blagoveshchensk City of Soviet Union in November of this year. The news on opening the restaurant was covered by our station reporter at the press briefing sponsored by Heihe Prefecture on 16 September on economic and technical projects.

The project with the mutual investment of 1.39 million Swiss francs has been worked out by the Heihe prefectural foreign economic and trade corporation and the Amur joint tourist corporation of Amur Oblast of the Soviet Union. The fixed number of years in the contract is 10 and the contract's content is that the Chinese side will dispatch 22 cooking personnel and provide kitchen equipment for the restaurant.

#### Heilongjiang Company's Trade Ties Expand

SA 2509/155089 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 24 Sep

[Excerpts] The import and export company under the provincial supply and marketing cooperative has brought its advantages into full play, helped the province expand the scale of exports, and made contributions to implementing the strategy of conducting cooperation with the places south of the province and opening to the places north of the province. Soon after its establishment in May 1988, the company established contacts with the All-Soviet Union of Co-operators' Cooperatives. Thus, the trade relationship with the Soviet Union that had been suspended for many years was restored. [passage omitted]

So far, the company has signed contracts worth 110 million Swiss francs with the Soviet Union and has delivered goods totaling 30 million Swiss francs to the Soviet Union.

## New Harbin-Khabarovsk Air Route Opens

### Ceremony Held

SA 2100000000 Harbin: Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Sep 89

[Text] At 0745 on 22 September, a Tu-154 Soviet passenger plane landed at the international airport of Harbin City. This indicates the official opening of the air route between Harbin City and Khabarovsk City in the Soviet Union. Alighting from the plane, amid the strains of music accompanied by drumbeats and bells, was the nine-member Soviet Khabarovsk maritime regional delegation headed by (Sumarrast), vice chairman of the Khabarovsk maritime regional executive committee. Greeting the Soviet delegation at the airport were An Zhendong, vice governor of the province, (Zhang Jieying), secretary of the party committee under the Shenyang Civil Aviation Administration Bureau, and Li Jiating, vice mayor of Harbin City.

The airline constitutes the province's first air route to foreign countries. The distance is 811 km, the flight takes 1 hour and 15 minutes, and there are two flights every week. The opening of this air route will play an active role in the development of friendly contacts between the province and the Soviet region and in having the north-east Asian areas achieve development. Japanese businessmen and tourists trying to conduct trade talks and tours in our province by taking the plane on this line will save some 2 hours over the route between Japan and the province via Shanghai and Beijing municipalities.

Arriving in Harbin City that day on the same plane in order to extend congratulations on the opening of the new airline were the government delegations of Nagasaki city and prefecture in Japan.

While opening the new airline with the Soviet maritime region, the Harbin International Airport also put its post inspection equipment into operation.

On the afternoon of 22 September, the Soviet delegation paid a visit to the provincial People's Government and was cordially received by Governor Shao Qibao and Vice Governor An Zhendong. During the reception, they held a friendly talk with the Soviet comrades. That evening, the provincial People's Government gave a cocktail party in honor of the Soviet and Japanese delegations.

## Bolshoi Theater Ballet Troupe Makes Visit

### Culture Minister Fets Dancers

OH 2100102000 Beijing: XINHUA in English 1505 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—Ballet dancers from the Soviet State Bolshoi Theater were entertained at a dinner given by the Chinese Ministry of Culture here this evening.

Proposing a toast, Vice-Minister of Culture Guo Deyou termed the Soviet ballet which boasts a history of 200 years as a first-class artistic troupe in the world.

He expressed his belief that the current visit by the troupe is of "great importance" to mutual understanding and friendship between the people of the two countries and between bilateral artistic circles.

In his toast, Kokomon, general manager of the Soviet theater, expressed the hope that the current visit will help contribute to the cultural exchanges between the Soviet Union and China.

During their six performances in Beijing, the Soviet dancers will stage the three-act ballet "Spartacus", episodes from the "Swan Lake", "Sleeping Beauty", and "Pirate".

The troupe is scheduled to make its debut in the Chinese capital tomorrow evening.

### Li Tiesing Attends Premier

OH 2100102000 Beijing: XINHUA in English 1545 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Featuring the three-act ballet "Spartacus", the ballet of the Soviet State Bolshoi Theater made its Beijing premiere here tonight, enthralling a capacity crowd of some 1,600.

The Soviet ballet troupe, which arrived in China September 8, will give five more performances in the Chinese capital and attend the Second China Art Festival.

Present on the occasion were Chinese State Councilor Li Tiesing, vice-chairman Xi Zhongxun of the National People's Congress Standing Committee, former Minister of Culture Wang Meng, and Soviet Ambassador to China O.A. Troyanovskiy.

## Report Outlines Labor Discussions

OH 2100144000 Beijing in English to North America 0300 GMT 15 Sep 89

[Text] Chinese and Soviet officials are now discussing possible cooperative labor prospects in the Ukraine. Radio Beijing's (Liu Hui) reports that both sides still need time to finalize their plans.

[Begin (Liu Hui) recording] The Soviet Ukraine has the potential to be a trading partner for China according to (Jia Yali). (Jia) is the manager of China (Agricom) which specializes in international agriculture prospects. [(Jia Yali) is heard briefly speaking in Mandarin, fading into English translation] (Jia Yali) says both sides are interested but it is still difficult for China to make direct investments in the Soviet Union. Relations were normalized only 4 months ago and China needs more time to study the Soviet environment, laws, and regulations.

(Jia Yali) believes labor agreements will be easier to arrange and her company has given this top priority. (Jia



Yao) says China has rich manpower resources. China still suffers (an inefficient) system and new labor reforms have created a large surplus labor force. This year's economic retrenchment and shortage of funds have also left more people without work. It is estimated that the Soviet Union faces a shortage of 1 million workers. For example, Siberia needs 200,000 laborers to help the local people work in the lumber industry and plant vegetables. China also hopes to send skilled agriculture specialists (as heard) to the Soviet Union. These measures could be ideal for both sides.

(Jia Yali) of China (Agricom) says there are a few questions to resolve before any of these plans take effect. (Jia Yali) is heard speaking in Mandarin, fading into English translation. (Jia Yali) explains that labor export and import policies are still incomplete in both countries. And the Soviet Union has only offered to pay the Chinese laborers in rubles, which cannot be exchanged for any other foreign currency. Earlier, bilateral trade was conducted on the barter basis. The Soviets offered wood, steel, and other items that China needed. But now the Soviet Union has tightened its control over exports of these commodities and the thought of payment in rubles has discouraged many Chinese companies from sending their surplus laborers to work in the Soviet Union.

But, compromises and discussions could solve all of these problems and (Jia Yali) stresses that the potential for more Sino-Soviet trade is very good. [end recording]

## Northeast Asia

### Li Peng Meets Outgoing Japanese Ambassador

OW 2309133089 Beijing XINHUA in English  
1246 GMT 23 Sep 89

[Text] Beijing, September 23 (XINHUA)—China attaches importance to the development of Sino-Japanese friendly relations which have been hard-earned, said Chinese Premier Li Peng here today.

At a meeting with outgoing Japanese Ambassador to China Toshiki Nakayama, Li said that the recent visit of Masayoshi Ito to China had been successful and had contributed to the restoration and development of bilateral relations.

He expressed appreciation and thanks to Nakayama for his efforts to develop bilateral relations.

He said China and Japan are close neighbors with a history of friendship, punctuated in modern times by unfortunate incidents. Thus, the present Sino-Japanese friendly relations is hard-won.

Li asked Nakayama to convey his regards to Japanese Prime Minister Toshiki Kaifu and expressed thanks to Kaifu for a message he conveyed from Ito.

Li also asked Nakayama to tell Kaifu that China's reform and open policy remain unchanged, and that "wherever there are things needing readjustment such readjustment will be for the better." He also said that China's policy of developing long-term friendly relations with Japan will not change.

Nakayama said that he was pleased and encouraged by Li's words. He said he would convey Li's requests to his prime minister.

Li issued an invitation for Nakayama to visit China again as an old friend, saying, "you will see that China will develop continuously."

### Leaders Respond to Death of Japan's Okazaki

OW 2309121289 Beijing XINHUA in English  
1100 GMT 23 Sep 89

[Text] Beijing, September 23 (XINHUA)—Chinese leaders today expressed their profound condolences over the death of Kaheida Okazaki in their messages to the family of the deceased.

Okazaki, a permanent adviser to the Japan-China Economic Association and an old friend of the Chinese people, died on Friday of blood clot in the brain.

The Chinese leaders who sent the messages are Li Peng, Li Xiannian, Deng Yingchao, Wang Zhen, Yao Yilin, Tian Jiyun, Wu Xueqian, Bo Yibo.

Premier Li Peng said in his message that Okazaki was of noble character and high prestige. He made long-time contribution to the friendship between China and Japan and devoted his whole life to the normalization of Sino-Japanese diplomatic ties and the promotion of economic cooperation and friendly exchanges between the two countries. Okazaki was deeply respected by the Chinese people, he added.

The death of Okazaki is a heavy loss to the cause of Sino-Japanese friendship and makes us lose a close friend. The Chinese people will cherish the memory of him forever.

### Top-Level Japanese Business Missions To Visit

OW 2309142389 Beijing XINHUA in English  
0846 GMT 23 Sep 89

[Text] Tokyo, September 22 (XINHUA)—The Japan-China Association on Economy and Trade announced here Friday that it will send a top-level business mission to China on November 9 for a five-day visit.

The high-powered mission, with about 30 members, will include Yoshio Saito, chairman of the Japan Federation of Economic Organizations (Keidanren).

Yoshio Sakurazuchi, leader of the Japanese Association for the Promotion of International Trade, told XINHUA recently that he will head a mission to China from November 27 to December 1.

The missions are being scheduled in the wake of the Japanese Government's decision to lift travel restrictions to Beijing on September 25. The restrictions on China travel were imposed following the June incident in Beijing.

Ryosuke Kawai, head of the Japan-China Association on Economy and Trade, and other executives, are scheduled to take part in a symposium in Beijing October 23 to celebrate the 10th founding anniversary of the China International Trust and Investment Corp.

#### Japanese Youth Mission To Visit 28 Sep

CH 2899/280489 Beijing XINHUA in English  
0758 GMT 23 Sep 89

[Text] Tokyo, September 23 (XINHUA)—Japan's ruling Liberal Democratic Party (LDP) decided Friday it will send a 150-member youth mission to China on September 28 to attend the 40th anniversary of the founding of the People's Republic.

Local reports said the mission, under the name of Japan-China Youth and Juvenile Exchange Mission at the invitation of the All China Youth Federation, will include five LDP Diet (parliament) members.

The mission led by chairman of the Diet Policy Committee, Keiwa Okuda, will also include some athletes and actors and actresses.

Local reports said the mission will be the first one after Japan lifts its ban on trips to Beijing on 25 this month.

#### Sino-Japanese Joint Venture Begins Operation

CH 2209/22589 Beijing XINHUA in English  
1052 GMT 22 Sep 89

[Text] Shanghai, September 22 (XINHUA)—The Shanghai Narishu Company Ltd., a Sino-Japanese joint-venture producing high-grade cosmetics, went into operation Tuesday.

The company, established by the Shanghai No. 4 Daily-use Chemicals Factory and the Narishu Company Ltd. in Japan, cost an investment of 10 million yuan. The company is expected to have an annual output value of 10 million yuan, with 55 percent of its products for export. The company expects to recover its investment within 4 years.

According to Yano Kazuo, general manager of the company, the cosmetics produced by the company are mostly extracted from plants and animals. Two time nutritious cream and color-changing lip-sticks are its most popular products.

#### Kim Il-sung Warns Against Imperialist Subversion

CH 2409/24489 Beijing XINHUA in English  
1533 GMT 24 Sep 89

[Text] Pyongyang, September 24 (XINHUA)—Kim Il-sung, president of the Democratic People's Republic of Korea (DPRK), today warned against imperialist attempts to subvert the People's Republic of China.

He said "we must be vigilant" against some imperialists who have not given up their subversive attempts after their scheme to subvert China was aborted.

Kim, speaking at a meeting with a Chinese People's Political Consultative Conference (CPPCC) delegation led by CPPCC Vice-Chairman Wang Enmao, said the founding of the People's China was the result of the long and bloody struggle fought by the Chinese Communists and the Chinese people.

He extended warm congratulations to the People's China on its 40th birthday and praised the great achievements made by the Chinese people in the socialist construction under the leadership of the Chinese Communist Party.

The delegation arrived in the DPRK on September 19.

#### DPRK Art Troupe Pays Visits Liaoning

##### Performers Feted

SK 2509/31989 Shenyang Liaoning Provincial Service  
in Mandarin 2400 GMT 22 Sep 89

[Text] The Liaoning Provincial People's Government held a reception at Shenyang's Fenghuang Hotel on the evening of 21 September to warmly welcome the art troupe from the DPRK, which had come to our province for a visit and performance. Wang Wenyuan, provincial vice governor, (Nong Qingyu), vice president of the China (Film and television) company, and responsible comrades of relevant provincial departments, including (Tao Xianyuan) and (Gu Shihua), were present at the reception.

Kim Chong-ho, leader of the Korean art troupe and vice minister of culture and art of Korea, all performers, and Yu Man-puk, consul general of Korea stationed in Shenyang, were invited to the reception. The DPRK art troupe, based on the [words indistinct], is composed of the outstanding performers of the central art troupe. Before the reception, Provincial Vice Governor Wang Wenyuan and others met with the leader, deputy leader, and major performers of the troupe.

The DPRK Art Troupe arrived in Shenyang on the evening of 21 September.

### Officials Attend Performance

SA 2509133789 Shenyang Liaoning Provincial Service in Mandarin 2000 GMT 23 Sep 89

[Text] Despite heavy rain in Shenyang, more than 6,000 viewers in Shenyang went to Liaoning gymnasium to watch a performance by the DPRK Art Troupe on the evening of 23 September. The exquisite performance of the Korean artists won the applause of the audience frequently. The Korean singers sang some songs in Chinese that the Chinese people know well—a song of toast, a married women going to her parents' home, and so forth. The atmosphere all over was enthusiastic. The audience clapped their hands rhythmically to make the performance reach a climax.

The DPRK Art Troupe is a competent and well-known art troupe, well received by the people.

The performance on the evening of 23 September gave a lasting impression to the audience.

Leading comrades of the province and Shenyang City, including Xu Shaofu, Yu Xiling, Zhang Zhiyuan, Wang Wenyuan and Wu Duheng, watched the performance and presented a floral basket to the performers.

Yu Man-puk, consul general of the DPRK consulate in Shenyang, also watched the performance.

### DPRK Official Supports PRC on June 'Riot'

OH 2509114889 Beijing XINHUA in English 0726 GMT 23 Sep 89

[Text] Pyongyang, September 24 (XINHUA)—Kye Ung-tae, secretary of the Central Committee of the Workers' Party of Korea, met here today with a visiting Chinese delegation led by Wang Feng, vice-minister of radio, film and television.

During the meeting, the secretary said he hoped Korean and Chinese radio and tv workers will strengthen their exchange of experiences and publications.

Kye expressed his support for China's quelling of June's counterrevolutionary riot.

The Chinese delegation arrived here September 19 and will leave for home tomorrow.

### Peng Cheng Meets DPRK Procurator, Delegates

OH 2509133909 Beijing XINHUA in English 0802 GMT 23 Sep 89

[Text] Beijing, September 23 (XINHUA)—Peng Cheng, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met today with a delegation from the Central Procurator's Office of the Democratic People's Republic of Korea (DPRK), which is led by Deputy Procurator-General Kim Chang-yuk.

During the meeting, Peng briefed Kim on China's efforts to perfect its legal system and expressed the hope that the

judicial circles of China and DPRK will further strengthen their exchanges and cooperation. Kim said the DPRK Procurator's Office and its Chinese counterpart "have a lot to learn from each other."

Later, Liu Fuzhi, head of the delegation and procurator-general of China's Supreme Procuratorate, gave a luncheon for the visitors.

### Peng Cheng, Officials Meet Mongolian Delegation

OH 2509112409 Beijing XINHUA in English 1100 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—Peng Cheng, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met here today a delegation of Ulaanbaatar city of Mongolia.

The delegation is led by Sambu Monkhbargal, chairman of the Executive Committee of the People's Deputies' Hural of Ulaanbaatar.

The Mongolian visitors arrived here September 15 as guests of the Beijing Municipal People's Government. Beijing Mayor Chen Xitong and Sambu held talks to exchange views on expanding friendship and cooperation between the capitals of China and Mongolia. They signed a summary of the talks September 16.

### First Sino-Mongolian Joint Venture Launched

OH 2509194989 Beijing XINHUA in English 1524 GMT 23 Sep 89

[Text] Hohhot, September 23 (XINHUA)—Inner Mongolia Oriental Industrial Co. Ltd.—a private enterprise—has recently signed a contract with a travel service on the People's Republic of Mongolia to set up the "Terzlerki Hotel" in Ulaanbaatar.

This is China's first joint venture in Mongolia. Under the terms of the 10-year contract, both partners will invest 200,000 U.S. dollars.

Plans call for the hotel to serve Chinese, Western and Mongolian food. It will also have a shop selling Chinese-made souvenirs.

The general manager of the Oriental Industrial Co. Ltd., Qu Yirong, said that the company, which was set up two years ago, presently operates three luxury hotels and a department store in Hohhot and Shijiazhuang Cities.

Both sides are now making preparations for the opening of the hotel in Ulaanbaatar.

### MPP Group Holds Trade Talks With Region

SA 2509133289 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 23 Sep 89

[Text] The delegation of the Ministry of Power, Mining Industry, and Geology of the People's Republic of Mongolia, which is headed by (Shuansjedor) and is paying a

visit to Inner Mongolia Autonomous Region at the invitation of the autonomous regional border trade corporation, recently signed letters of intent on geological technical cooperation and border trade with the No. 1 geological prospecting team under the autonomous regional geological bureau and the regional border trade corporation.

During its visit, the Mongolian guests held talks with the autonomous regional personnel with regard to geological technical exchanges and cooperation and presented the geologic and geological structure maps of the People's Republic of Mongolia to the regional mining industry and geology bureau and geological prospecting team.

### Southeast Asia & Pacific

#### Article Attacks Hanoi's Cambodia Policy

HK2509103089 Beijing RENMIN RIBAO in Chinese  
23 Sep 89 p. 3

[Article by Cai Ximei (5591 6932 2734): "Going Along the 'Hanoi Track' Does Not Work"]

[Text] After the international conference in Paris failed to reach any agreement and was adjourned, the international community was concerned about the possible worsening of the Cambodian situation. However, Vietnam and the Phnom Penh regime expressed their excitement and said that the Cambodian issue would be "solved" along the course designed by Hanoi.

According to Hanoi's recent activities, it seems that it plans to take three steps at the present stage:

First, adopting a tough position and offering a "high price" that is unacceptable to the opposite side so as to prevent the international conference on the Cambodian issue from concluding any agreement, and then laying the blame on the opposite side. This step has been completed. Second, unanimously carrying out the "complete force withdrawal" without international supervision and secretly keeping Vietnamese troops in Cambodia. The false troop withdrawal will then enable Vietnam to absolve itself from the crime in the aggressive war. This step will be completed in late September according to its schedule. Third, demanding at the coming UN General Assembly that the Phnom Penh regime be recognized as a "legal government" in Cambodia.

From 14 to 16 September, Hun Sen, the chairman of the Phnom Penh regime, went to the three western provinces to boost the morale of the Vietnamese and puppet armies, and then he openly declared that he had changed the previous "flexible" attitude on the political solution for the Cambodian issue and would not make "any compromise." He predicted that "no major change will occur in the military situation" in Cambodia and that Sihanouk "will not be able to return to Cambodia." He said that "it is no longer possible" to seek a political solution for the Cambodian issue.

However, it is generally held in the international community that it is too early for Hanoi and Phnom Penh to be happy and that the Cambodian issue will not develop along the course designed by Hanoi. There are at least four apparent reasons to support this point.

First, the fact that no agreement was concluded at the international conference in Paris did not mean that the international community would connive at Vietnam's aggression; instead, most countries attending the Paris conference maintain that there must be an all-round political solution for the Cambodian issue. The opinion expressed by Singapore Foreign Minister Wong Kan Seng was representative of the position of most countries. He said: "Any partial solution will be worse than no solution at all, because this will bring about the same situation as that in Afghanistan. The only feasible option is to solve the essential issue comprehensively and completely. Only thus can Cambodia enjoy lasting peace."

Second, the international community was strongly doubtful of the so-called "complete troop withdrawal" from 21 to 26 September as announced by Vietnam. Vietnam announced that there were only 26,000 Vietnamese troops in Cambodia, and this figure was 80,000 to 100,000 people short of the figure estimated by the intelligence organs of the Cambodian resistance forces and Thailand. Moreover, the resistance forces in the forefront discovered that Vietnam continued to send reinforcements to Cambodia. In the past, Vietnam played the tricks of withdrawing troops openly and falsely and keeping and sending in troops secretly. This time, Vietnam has explicitly rejected UN supervision and verification. International opinion generally holds that the fundamental reason for Vietnam's refusal is its intention to conceal the true fact that Vietnamese troops will continue to stay in Cambodia. In fact, since 1985, Vietnam has had tens of thousands of Vietnamese soldiers in Cambodia by changing their uniforms. No people naturally do not believe that Vietnam will really withdraw all its troops this time.

Third, the three resistance forces in Cambodia have stated many times that so long as Vietnamese troops continue to stay in Cambodia, they will not stop their anti-Vietnamese struggle for national salvation and independence. Prince Sihanouk recently pointed out that the Cambodian war was not and will never be a civil war; instead, the war is a just struggle to oppose Vietnam's action of annexing and occupying Cambodia.

Fourth, the Phnom Penh regime was Vietnam's puppet and proxy that Vietnam propped up in 1979. Its nature as Hanoi's vassal will not change because of Vietnam's false "complete troop withdrawal." If Hanoi and Phnom Penh could mislead and deceive some people by rejecting the inclusion of the Khmer Rouge in the provisional government under the pretext of its mistakes during its rule, then their ambition of monopolizing the state power in Cambodia is fully laid bare as they did not allow Prince Sihanouk, who is esteemed by the Cambodian people as their "father of independence," enjoys



high prestige in the international community, and is accepted by all parties concerned, to return home.

Are the Cambodian people willing to accept the fact that Vietnamese troops were still hidden in Cambodia after 27 September and there still exists a puppet regime completely representative of Vietnam's interests and manipulated by Vietnam? Will peace be restored in Cambodia under these circumstances? Will the threats against peace and stability in Southeast Asia be removed? Will Vietnam free itself from the isolated position in the world and shake off its domestic difficulties caused by the war of aggression against Cambodia?

The "Hanoi plan" is absolutely untenable. The Vietnamese authorities should give up their illusion and honestly return to the process of working out a comprehensive political solution as soon as possible.

#### **Radio Rejects Hanoi-Style Cambodia Solution**

BA2509074989 Beijing in Cambodia to Cambodia  
1030 GMT 24 Sep 89

[Unattributed commentary: "The Cambodian Problem Cannot be Resolved According to Hanoi's Plan"]

[Text] Since the Paris international conference failed to reach any agreement and adjourned, the world community has been worried about the worsening situation in Cambodia. Vietnam and the Phnom Penh regime, however, have been unable to hide their delight, for they believe that the chance to settle the Cambodian problem according to Hanoi's plan has come.

Looking at Vietnam's latest activities, one can see that in the current stage, this plan has three steps.

First of all, Vietnam has adopted an obstinate stance and set conditions unacceptable to the other side, thus preventing the Paris International Conference on Cambodia from reaching any agreement and putting the blame for this failure on the other side. It has already taken this step.

The next step is to carry out a unilateral total troop withdrawal without international supervision in order to use this sham to whitewash its criminal guilt in the war of aggression. It will take this step at the end of September.

In the last step, it will speak nonsense at the upcoming UN General Assembly session in an attempt to legalize the Phnom Penh regime.

Following his 14-16 September visit to three western provinces of Cambodia in order to hunt the mangle of the Vietnamese troops and puppet soldiers, Hun Sen, ringleader of the Phnom Penh gang, issued a statement arrogantly claiming that he has changed his former attitude regarding the political settlement of the Cambodian problem and will not retreat. He said that there has been no major changes in the military situation on the Cambodian battlefield, that Sihanouk cannot return to

Cambodia, and that settlement of the Cambodian problem by political means is no longer possible.

International opinion, however, holds that Hanoi and Phnom Penh are too hasty in their joy, and that the Cambodian problem cannot be resolved according to Hanoi's plan. There are at least four reasons why international opinion feels this way.

1. The fact that the Paris international conference failed to reach any agreement was not because the international community neglected Hanoi's aggression. It was because the majority of countries that attended the conference maintained that the Cambodian problem must be resolved comprehensively through political means. The speech by the Singapore foreign minister can attest to this. The foreign minister said that the plan for a partial solution is worse than not having any plan at all.

2. The international community was doubtful of Vietnam's announcement on the so-called 21-26 September total withdrawal of troops from Cambodia. The Hanoi authorities announced that there are at present only 26,000 Vietnamese troops in Cambodia, but according to Cambodian resistance forces and the intelligence organs in Thailand, there are at least 80,000 to 100,000 Vietnamese troops in Cambodia. Moreover, during the past several months, the frontline troops of the Cambodian resistance forces have seen frequent dispatches of more Vietnamese troops to Cambodia. The Vietnamese are very fond of playing this trick of hiding themselves in Cambodia. This time again, they have rejected the UN control and supervision.

3. The tripartite Cambodian resistance force has time and again reminded us that so long as there are Vietnamese troops in Cambodia, the resistance forces will not stop fighting against the Vietnamese aggressors for the sake of the nation and national independence. Moreover, the justice-loving countries across the world will continue to support the Cambodian resistance forces and oppose the war of aggression.

Recently, Samdech Sihanouk pointed out that in the past as well as in the future, the Cambodian war is absolutely not a civil war, but a just struggle waged against the Vietnamese aggression and occupation.

4. The Phnom Penh regime is Vietnam's puppet and spokesman installed by Vietnam after its invasion in 1979. Since it is Hanoi's puppet, it naturally supports Hanoi's sham withdrawal of all Vietnamese troops. It has arrogantly refused to allow Samdech Sihanouk—who is regarded by the majority of Cambodian people as the father of independence and who is internationally prestigious and accepted by the various factions—to return to Cambodia. Its ambition to monopolize Cambodia has been clearly revealed.

We wish to raise these questions:

—After 27 September, will the Cambodian people accept the fact that there still exist in Cambodia the disguised

Vietnamese soldiers and the puppet administrators who represent Vietnam's interests and who are manipulated by Vietnam?"

—Can peace be restored in Cambodia?"

—Can the threat to peace and stability in Southeast Asia be quelled?"

Can Vietnam extricate itself from isolation in the international arena and the economic plight at home which was caused by its war of aggression?"

Hanoi will never be able to realize its plan. We warn the Vietnamese authorities that they should quickly abandon their dreamy idea and should follow the line of genuinely settling the Cambodian problem politically and comprehensively.

#### **Ren Jianxin Fets Philippines Chief Justice**

OW 2209114989 Beijing XINHUA in English  
1321 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, here this evening met and gave a dinner in honor of Andres Narvasa, chief justice of the Supreme Court of the Philippines, and his wife.

Ren and Narvasa had a cordial conversation on furthering the Sino-Philippine friendly tie, in judicial field.

#### **Manila Photo Exhibition Marks National Day**

OW 2409114989 Beijing XINHUA in English  
0726 GMT 24 Sep 89

[Text] Manila, September 24 (XINHUA)—A Chinese handicraft and photo exhibition opened here today to celebrate the 40th anniversary of the founding of the People's Republic of China.

On display at the week-long exhibition were more than 60 art photographs showing the tremendous achievements of China in the past 40 years in the economic, cultural and other fields.

The exhibits also include well over 100 distinctive arts and crafts and traditional Chinese paintings by well-known painters.

More than 100 prominent persons of the Filipino-Chinese community here attended the opening ceremony of the exhibition and viewed the exhibits with great interest.

Addressing the opening ceremony, Manny Dy, executive vice-president of the Filipino-Chinese Shih Lian Association, a noted organization of Overseas Chinese and Filipinos of Chinese descent in this country, said the Chinese exhibition demonstrated the splendid achievements of the People's Republic of China in all fields in the past 40 years and helped enhance the understanding

among members of the Filipino-Chinese community of their motherland or their ancestors' land.

The exhibition was sponsored jointly by the Shih Lian Association and the Cultural Office of the Chinese Embassy in Manila.

The Filipino-Chinese community in the Philippines will sponsor a series of activities, including parties, film shows and photo exhibitions around October 1 to celebrate the 40th anniversary of the founding of the People's Republic of China.

#### **Wu Xueqian, Malaysian Minister Hold Talks**

OW 24090817789 Beijing XINHUA in English  
0714 GMT 24 Sep 89

[Text] Beijing, September 24 (XINHUA)—Chinese Vice-Premier Wu Xueqian today expressed satisfaction over the expansion of relations between China and Malaysia in recent years.

As developing countries, China and Malaysia have no conflict of fundamental interest, but share the common desire for development. Wu said during a meeting with Malaysia's Minister of Housing and Local Government Lee Kim Sai and his party here today.

Furthering bilateral relations on the basis of Five Principles of Peaceful Coexistence, he added, will contribute to the development of the two economies.

China will continue pursuing the independent foreign policy of peace, seeking a long-term peaceful international environment and concentrating on developing its national economy, the vice-premier stressed.

Lee said during his visit, he had witnessed the "enormous achievements" China has made during the ten years of reform and opening.

Chinese Minister of Construction Lin Hansong was present at the meeting.

#### **Kang Keqing Meets Thai Women's Delegation**

OW 2409142489 Beijing XINHUA in English  
1150 GMT 23 Sep 89

[Text] Beijing, September 23 (XINHUA)—Kang Keqing, vice-chairwoman of the Chinese People's Political Consultative Conference (CPPCC) National Committee and honorary president of the All-China Women's Federation, met and gave a dinner for a women's delegation from Thailand here this evening.

The Thai visitors, led by Chansamorn Wattanaewkin, advisor and former president of the National Council of Women of Thailand, have been here as guests of the All-China Women's Federation. They have visited Kunming, Guiyin and Xian.

## Near East & South Asia

### Further on Qian Qichen's Visit to Middle East

#### Leaves Egypt for Syria

OW 2109161689 Beijing XINHUA in English  
1524 GMT 21 Sep 89

[Text] Cairo, September 21 (XINHUA)—Chinese Foreign Minister Qian Qichen left Cairo this afternoon for Damascus after a four-day visit to Egypt, the second leg of his four-nation Middle East tour.

Egyptian President Hosni Mubarak had received the Chinese foreign minister who conveyed to him a message from Chinese President Yang Shangkun and had talks with him on the latest developments of the situation in the Middle East.

Qian also exchanged views with senior Egyptian officials on international issues of mutual concern and discussed with them ways of promoting relations between the two countries.

The Chinese foreign minister arrived in Cairo on September 18 for a visit, during which he toured the Suez area, the pyramids area and other places of tourist interest. He will also visit Tunisia after Syria.

#### Arrives in Syria

OW 2209014589 Beijing XINHUA in English  
0013 GMT 22 Sep 89

[Text] Damascus, September 21 (XINHUA)—The visiting Chinese Foreign Minister Qian Qichen said today, the Middle East situation is undergoing important changes and China has always attached great importance to the role played by Syria in the regional affairs.

Qian Qichen said this upon his arrival here this evening from Cairo for an official visit. Speaking to reporters, he said that he has brought with him a letter from Chinese President Yang Shangkun to Syrian President Hafez al-Assad.

During his stay in Syria, he said, he will meet foreign minister Faruq al-Shar' and other Syrian officials for talks on questions of common concern, the Middle East issue and bilateral relations in particular.

"It is my hope that my visit will promote our two countries' relations of friendship and cooperation," he said.

Commenting on Egyptian President Hosni Mubarak's 10-point plan on elections in the occupied territories, he said that China has always appreciated the efforts exerted by the Egyptian president and Government to seek a fair and reasonable settlement to the Arab-Israeli conflict and to promote the Middle East peace process.

Qian said China supports the proposed convocation of an international Middle East peace conference under the

auspices of the United Nations and with the participation of the five permanent member states of the U.N. Security Council.

The current tour is Qian Qichen's third leg of a four-nation Middle East tour which will also take him to Tunisia. He has so far visited Jordan and Egypt.

Syrian Foreign Minister al-Shar' was at the airport to greet his Chinese counterpart.

#### Tours Town, Condemns Israel

OW 2209151789 Beijing XINHUA in English  
1453 GMT 22 Sep 89

[Text] Damascus, September 22 (XINHUA)—Chinese Foreign Minister Qian Qichen said today that China supports Syrian regaining its territories and condemns Israel's aggressive and expansionist policy.

Qian made the remarks when touring the Syrian town of al-Qunaytirah in the Golan Heights which was grabbed back from the Israeli occupation.

Al-Qunaytirah, capital of the Golan Heights, witnessed fierce battles during the 1967 Arab-Israeli war, during which Syria's troops destroyed scores of Israel's armored vehicles and tanks.

Qian told reporters, "I have come to al-Qunaytirah to see the historical site which witnessed Israel's crimes and expansionist policy. What I have seen deeply impresses me."

The havoc caused by Israel in the town of al-Qunaytirah shows the brutal acts of Israel which adopts a policy of aggression and expansion, Qian said, adding that such acts provide an evidence that Israel's aggression is not only against a certain country, but also against peace and human civilization.

Qian predicted success of his visit to Syria which would include talks later today with Syrian officials on consolidating bilateral relations and sounding out each other's views on international problems, including the Lebanese crisis and the Mideast issue as a whole.

The Chinese foreign minister planted a tree at the "Friends of al-Qunaytirah" Park and laid a wreath at the cemetery of the Syrian soldiers fallen in action.

Accompanying the Chinese foreign minister on the tour were Syria's Assistant Foreign Minister Du Allah al-Fattal, [name as received] the governor of al-Qunaytirah 'Abd al-Munim Hamawi [name as received] and China's Ambassador to Syria Chang Chong.

Qian arrived here late Thursday on the third leg of his four-nation Mideast tour which will also take him to Tunisia. He has so far visited Jordan and Egypt.



**Meets Al-Asad, Officials**

OW 2409163689 Beijing XINHUA in English  
1522 GMT 23 Sep 89

[Text] Damascus, September 23 (XINHUA)—Syrian President Hafez al-Asad today met with Chinese Foreign Minister Qian Qichen for talks on bilateral relations and situations in the Middle East and Asia.

Qian conveyed to President al-Asad a written message from Chinese President Yang Shangkun and received in turn a written message from al-Asad for the Chinese president.

The Syrian president expressed appreciation for China's support of the Arab struggle against Israeli aggression and efforts to achieve everlasting peace in the Middle East.

The Chinese foreign minister voiced appreciation for Syria's contribution to the struggle against the Israeli aggression and to the just Arab cause.

Chinese delegation sources said Al-Asad has accepted an invitation from Yang Shangkun to visit China.

Earlier today, Syrian Vice-President 'Abd al-Halim Khaddam received Qian who conveyed to him regards from Chinese Premier Li Peng.

The Chinese foreign minister said later that his meetings with al-Asad and Khaddam were "useful."

Qian also described his earlier talks with Syrian Foreign Minister Fawaz al-Shar' as successful, saying both sides favored the idea of holding a U.N.-sponsored international peace conference on the Middle East.

The two sides expressed their support for efforts made by the Arab League three-member committee charged with the task to resolve the Lebanese crisis, the Chinese foreign minister added.

The committee, set up in late May, comprises the heads of state of Morocco, Saudi Arabia and Algeria.

The Chinese foreign minister arrived in Damascus on September 21 on the third leg of his Middle East tour which will also take him to Tunisia. He has visited Jordan and Egypt.

Qian will leave here tomorrow morning for Tunis.

**Departs Syria for Tunisia**

OW 2409111589 Beijing XINHUA in English  
1017 GMT 24 SEP 89

[Text] Damascus, September 24 (XINHUA)—Chinese Foreign Minister Qian Qichen left here today for Tunis, Tunisia, after a four-day official visit to Syria during which he met with Syrian President Hafez al-Asad.

The Chinese minister also held talks with Syrian Foreign Minister Fawaz al-Shar' and other high-ranking officials for talks on bilateral relations and situations in the Middle East and Asia.

During his meeting with al-Asad earlier on Saturday, Qian conveyed a written message to the Syrian president from Chinese President Yang Shangkun. Chinese delegation sources said al-Asad has accepted an invitation from Yang to visit China.

Al-Asad expressed appreciation for China's support of the Arab struggle against Israeli aggression and efforts to achieve everlasting peace in the Middle East.

Qian arrived in Damascus on Thursday on the third leg of his four-nation Mideast tour which had already taken him to Jordan and Egypt.

While in Amman and Cairo, Qian had called for a just and comprehensive Mideast settlement through all forms of dialogue and negotiations among all parties concerned with the Arab-Israeli conflict.

He also reiterated China's support for a U.N.-sponsored international Middle East peace conference to be attended by the five permanent members of the United Nations Security Council as well as all parties concerned in the dispute.

China shares the Security Council's permanent membership along with the United States, the Soviet Union, Britain and France.

**Relations Discussed**

OW 2509080189 Beijing XINHUA in English  
0645 GMT 25 Sep 89

[Text] Tunis, September 24 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen and his Tunisian counterpart Abdelhamid Escheikh hoped to reinforce relations of friendship and cooperation between China and Tunisia.

Speaking at a dinner here today in Qian's honor, Escheikh stressed that the visit of the Chinese foreign minister provides a precious opportunity for exchanging views on new cooperation and coordinating positions on the international scene including support to the world cause of justice, liberty, security and peace.

Qian in his speech reviewed the satisfactory development in the political, economic and cultural fields between the two countries since the establishment of diplomatic relations 25 years ago.

He cited the joint projects of Mejdelaheap-Bon Canal [name as received] in Tunisia and an Arab-China phosphate fertilizer in China as a new example in the South-South cooperation.

Qian Qichen arrived here this morning from Syria for a three-day official visit.

Earlier today, delegations from the two countries exchanged views on international issues including the Middle East, the Lebanese crisis, and Kampuchea.

According to Qian Qichen, the Tunisian side expressed comprehension of the June incident in Beijing. It considered it an internal affair of China and no foreign countries should intervene into it.

The Tunisian ruling party's Le-Renouveau hailed Qian Qichen's visit today saying that it will quicken developments beneficial to the two countries and serve world peace and security.

#### Reportage on Pakistani Assembly Delegation Visit

##### Visit Postponed

OH 2206032289 Beijing XINHUA in English  
0745 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—The September 24 to October 2 visit to China by a Pakistan National Assembly delegation headed by its President Malik Mairaj Khalid will be postponed because of pressing affairs at home.

XINHUA learned this today from the General Office of the Standing Committee of the Chinese National People's Congress.

##### Assembly Leader Praises Ties

OH 2406034089 Beijing XINHUA in English  
0658 GMT 24 Sep 89

[Text] Islamabad, September 24 (XINHUA)—Pakistan National Assembly Speaker Malik Mairaj Khalid has stressed that Pakistan-China friendship "must be strengthened further and further."

"This almost has become an article of faith with people of Pakistan," the speaker said in an exclusive interview with XINHUA, Radio Beijing, "THE GUANG MING DAILY" and "THE ECONOMIC DAILY" on the eve of his visit to China.

He added that in the 39 years since the two countries established diplomatic relations, "Pakistan has been demonstrating its love for the people of China."

The speaker left here for China today at the head of a parliamentary delegation to take part in the celebrations of the 40th anniversary of the founding of the People's Republic of China on October 1.

He said, "it is admitted in Pakistan and China and in fact in the whole world that the friendship of Pakistan and China is very deep politically, economically, historically and culturally."

"We have been very close to each other and we have further strengthened our relations in all these fields consistently and persistently under the leadership of both countries," he said.

"There is absolutely no reservation on the part of any section of Pakistan society as regards the friendship of Pakistani people towards China," he stressed.

Turning to the foreign policies of the two countries, the speaker said both countries pursue independent foreign policies. "Pakistan and China have been of absolutely identical views of all international issues" like the latest issue of Afghanistan, Kampuchea, Namibia, Palestine, the Iraq-Iran war and issues that are facing Latin American countries.

"Pakistan and China stand together" and China's stand to support Pakistan is "irrevocable and irreversible," he said.

Evaluating China's economic reforms, the speaker said, "what have our Chinese brothers undertaken naturally we have to appreciate in the right sense and we have the fullest faith in their wisdom, in their philosophy."

"If they have adopted the course of economic reforms, that must be useful and fruitful for the people of China," he said.

"Whatever steps they have taken, and whatever decision they have made, it must be fruitful and meaningful," he added.

#### Wan Li Meets Pakistani Parliamentarians

OH 2509152889 Beijing XINHUA in English  
1414 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—Wan Li, chairman of the Chinese National People's Congress (NPC) Standing Committee, and his Pakistani counterpart spoke highly of Sino-Pakistan friendship here today.

In a meeting this evening with a delegation from the Pakistan National Assembly headed by its speaker, Mairaj Khalid, Wan said the NPC and the Chinese people are glad to play host to the Pakistani guests when celebrating the 40th anniversary of the founding of the People's Republic of China.

Khalid said his delegation has come to China for two "special reasons". One is that they want to share joy with the Chinese people in celebrating their national day, he said, adding that the other reason is that they want to show to the Chinese people the "complete solidarity" between the peoples of the two countries after China's quelling of the June anti-government riots in Beijing.

Wan said the two countries have established a profound friendship on the basis of the Five Principles of Peaceful Co-existence, and bilateral co-operation in the fields of politics, economy, science, technology and culture is very good.

He pointed out that both China and Pakistan belong to the Third World and can co-operate closely on major international political issues.

Khalid told Wan that the parliamentary delegates from Pakistan and many other Third World countries frustrated a motion hostile to China presented by the Federal Republic of Germany during the 82nd Inter-Parliamentary Union Conference held in London not long ago.

Wan thanked Khalid and other Pakistani friends who attended the session for their support to China.

Khalid said Pakistan-China friendship is hailed by many countries in the world and his parliament, country and people thank China for its long-term support and assistance to Pakistan.

He noted that the purpose of his delegation's current visit is to study China's development, especially the progress China has achieved in implementing its reform and opening policy.

During the meeting Khalid invited the NPC to send a delegation to Pakistan as soon as possible. Wan thanked Khalid for the invitation.

After the meeting Wan hosted a dinner for the Pakistani guests.

The Pakistani delegation arrived here earlier today.

In the afternoon, Rong Yiren, vice-chairman of the NPC Standing Committee, presided over working talks with the Pakistani guests, and both sides exchanged views on issues of common concern.

#### Further on Bangladesh First Lady Ershad's Visit

##### Meets Yang Shangkun

HK 2209015089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1216 GMT 21 Sep 89

[Report by reporter Li Wei (2621 0251): "Yang Shangkun Says the World is Unable To Neglect China's Position and Role"—ZHONGGUO XINWEN SHE Headline]

[Text] Beijing, 21 Sep (ZHONGGUO XINWEN SHE)—Chinese President Yang Shangkun said this afternoon: We believe that the temporary and accidental event and unfriendly attitude toward China will eventually be over. Although China is poor, it plays an important role in world affairs. Without China, it is not easy to win world peace. China is a force for peace in the international arena, and a good place for investment as well. It is a very big market. Therefore, no country in the world can afford to neglect China's position and role.

While meeting with Begum Raushan Ershad, first lady of Bangladesh, Yang Shangkun also stressed: China needs stability. Without a stable environment, it is impossible to build China into a powerful country. No matter what has happened, China has paid close attention to its stable situation. In spite of the fact that some friends and some Western countries have failed to understand our efforts

to quell the rebellion in Beijing, or have even imposed sanctions on us, our guiding principle remains unchanged.

He told his guest: China is making use of the 40th anniversary of the founding of New China to carry out fairly large-scale propaganda activities. Through propagating the achievements made over the past 40 years, we will enhance our people's understanding of the great success of the motherland, so that they will increase their sense of pride and patriotism. In the meantime, it should be pointed out that to attain the hoped-for result of building a powerful socialist country, we must carry out arduous struggle. China must continuously provide education for its people in patriotism and hard struggle.

Yang Shangkun stated: We will conduct as much friendly cooperation as possible with foreign countries on the basis of mutual benefit. However, any country wishing to use cooperation to impose pressure and sanctions on China will not succeed.

He maintained that China has achieved its hoped-for result in propagating the importance of quelling the rebellion in Beijing. He emphasized: "All people have realized that there is an international force which hopes that China will become its appendage."

Yang Shangkun asked the first lady to convey a message to President Ershad: The political situation in China is stable. The Chinese Government will continue to pursue its policy of reform and opening up. China is examining and correcting its mistakes and defects in work. It is confident that it will recoup the lost time. China also believes that some countries which are not friendly toward China at present will change their attitude in the days to come and improve their relations with us.

He also stressed: China is following its own path.

Yang Shangkun had a 40-minute conversation with the wife of the Bangladesh president.

In addition, Lin Jiamen, wife of Li Xianman, chairman of the National Committee of the Chinese People's Political Consultative Conference, met and feted Raushan Ershad and her entourage at noon.

##### Meets Deng Pufang

CH 2109154089 Beijing XINHUA in English  
1304 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Deng Pufang, chairman of the China Federation of Disabled Persons met here today with Begum Raushan Ershad, wife of the Bangladesh president, and her party.

Deng briefed the visitors on conditions of the Chinese disabled persons and the federation's plan for the next five years.

He said the work for the disabled persons, a component of mechanism for social stability, is dependent on the government as well as the public.

Mrs. Ershad visited a rehabilitation center for the handicapped. Since last May when the center opened, it has treated nearly 200 people who are either hemiplegic or paraplegic.

She praised the Chinese Government for what it has done for the handicapped when visiting paralysed children who were under training.

#### Bangladesh President on China's Development

OW 240909/189 Beijing XINHUA in English  
0712 GMT 24 Sep 89

[By Hu Guangyao]

[Text] Dhaka, September 24 (XINHUA)—Bangladesh President H.M. Ershad has spoken highly of the social and economic changes in China during the past 40 years.

He was giving an exclusive interview with XINHUA on the eve of the 40th founding anniversary of the People's Republic of China.

"The current state of economy of China and the phenomenal growth it has achieved is a testimony to the great efforts by the Chinese people and their leaders in the nation building struggle," the president told XINHUA on Saturday.

"I have visited China many times. And on every occasion, I have been deeply impressed by the ever growing dimensions of her progress," President Ershad said.

Asked to comment on China's reforms and its policy of opening to the outside world, the president said, "during the past 10 years, China has made sustained efforts to rearrange the structure and parameters of her economy; at the same time, it has also taken initiatives to open to the outside world. Both moves have benefited China."

He said, "the Chinese economy has evidently surged with induction of outside technology and investment."

"China's opening to the outside world has also had a beneficial impact internationally," he added.

President Ershad also praised highly China's role in world affairs, saying that "China has a vital role in the promotion and preservation of world peace and humanity's upliftment and progress."

"China has always played her rightful, principled part in the international sphere and has set an example by rejecting outright superciliousness and chauvinism," he added.

Turning to the development of Sino-Bangladesh relationship, Ershad said, the two countries have enjoyed "a very close special relationship which has been forged over the years through a conscious effort at high leadership levels."

He said, "Bangladesh and China share an identity of views on international and regional issues and work together in the pursuit of world peace and stability."

"Cooperation between our two countries is extensive and it will continue to grow in strength and dimension in the times ahead," he added.

#### Kuwait Economic Development Delegation Visits

##### Loans \$21 Million for Pipe

HA 220904/009 Beijing CHINA DAILY in English  
22 Sep 89 p 2

[By staff reporter Qiu Yongguo]

[Text] China signed an agreement with Kuwait in Beijing yesterday for a loan of 6 million Kuwait dinars (\$21 million) to help finance a ductile cast iron pipe project in northeastern China.

This is part of the fourth installment of loans from Kuwait to China. Since 1982, the Middle Eastern country has loaned China about \$300 million in three installments which have been used to construct such major infrastructure projects as airports, harbours and electric power stations.

The loans are provided by the official Kuwait Fund for Arab Economic Development, whose director-general, Rader Mishari Al-Humaidhi, is heading a three-member delegation to the sixth annual Sino-Kuwait loan meeting.

The delegation, invited by Shen Jueren, Vice-Minister of Foreign Economic Relations and Trade (Mofert), arrived in Beijing on Wednesday and will be staying until next Tuesday.

A Mofert official told CHINA DAILY that the two sides are negotiating additional co-operative projects, but he declined to give details.

The loan agreement was signed by Al-Humaidhi and Wen Shizhen, Vice-Governor of Liaoning Province, where the iron pipe project will be located.

The project, which is expected to be completed by the end of 1991, includes a main workshop which will produce about 100,000 tons of ductile cast iron pipes annually to transport water, oil and gas. Experts said the products are expected to last for 30 years compared with about 10 years for similar products now manufactured in China. These pipes are in high demand in Liaoning and other parts of China.

The project also includes such services as the production and supply of gas, compressed air, steam, electricity, water and acetylene.

The total cost of the project is estimated at about 17.79 million Kuwait dinars (\$62.27 million), 33.7 per cent of which will be covered by loans provided by Kuwait.



The loan will be for a period of 18 years including a four-year grace period. It will be amortized in 29 semi-annual installments, the first of which will be due on April 15, 1993 and the last on April 15, 2007.

The loan bears an interest rate of 5 per cent a year, in addition to 0.5 per cent a year to cover administrative and other expenses incurred in the implementation of the loan agreement.

#### Meets Chen Muhua

OW 2109140789 Beijing XINHUA in English  
1230 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Chen Muhua, vice-chairwoman of the Chinese National People's Congress Standing Committee, met a delegation of the Kuwait Fund for Arab Economic Development led by its Director-General Bader al-Humaidhi here today.

After the meeting, Chen attended a ceremony for signing a loan agreement between China and the fund, whereby the fund shall make a loan of 6 million Kuwaiti dinar to help finance the Betail Ductile Cast Iron Pipe Project in Benai in China's Liaoning Province.

The document was signed by Wen Shizhen, deputy governor of Liaoning Province, and Bader al-Humaidhi.

In recent years, the fund has provided China with loans totalling nearly 300 million U.S. dollars to help finance some major infrastructural projects, including airports, harbors and hydropower stations.

#### Iraqi Foreign Affairs Under Secretary Departs

OW 2109191589 Beijing XINHUA in English  
1129 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Iraqi Under-Secretary of Foreign Affairs Al-Zahawi (name as received) ended his visit to China and left Beijing this evening.

Arrived here on September 19 at the invitation of Qi Huanyuan, vice-foreign minister, Al-Zahawi held talks with Qi to exchange views on Iraq-Iran peaceful negotiation and international affairs.

#### CPPCC Vice Chairman Receives Iraqi Delegation

OW 2509113089 Beijing XINHUA in English  
1138 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—Hou Jingru, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), and vice-president of the Chinese People's Association for Peace and Disarmament, met here today with a delegation from the Organization of Friendship, Peace and Solidarity of Iraq.

Headed by Abdul Jabbar Alkarkhi (name as received), member of the Presidium of the organization, the delegation

arrived here Sunday at the invitation of the Chinese People's Association for Peace and Disarmament.

#### Trade Delegation Concludes India Visit, Departs

OW 2409201189 Beijing XINHUA in English  
1905 GMT 24 Sep 89

[Text] New Delhi, September 24 (XINHUA)—A Chinese delegation led by Minister of Foreign Economic Relations and Trade Zhen Tuoban left Bombay for home tonight after an eight-day visit to India.

The delegation attended the first session of Sino-Indian joint group on economic relations and trade, science and technology, and visited some of India's leading industrial enterprises and met prominent figures from various circles.

"After the visit we have more understanding between us, which is conducive to expanding economic cooperation and trade," Zhen Tuoban said while visiting the Century Textiles Industry Company in Bombay earlier today.

He expressed the hope that further exchange will be encouraged in the fields of industry and commerce.

China and India are the two biggest developing countries. There is a great potential for developing trade and economic cooperation, the minister stressed.

#### 40th Anniversary Photo Exhibition Opens in Delhi

OW 2109215489 Beijing XINHUA in English  
1648 GMT 21 Sep 89

[Text] New Delhi, September 21 (XINHUA)—A photo exhibition entitled "The Fortieth Spring of China" opened here today on the All India Fine Arts and Crafts Society to celebrate the 40th anniversary of the founding of the People's Republic of China.

Inaugurating the 10-day exhibition, Indian Energy Minister Vasant Sathe said this exhibition shows the Chinese people's determination to modernize their country.

He expressed the hope that the two countries should learn from each other and the understanding between the two peoples should be increased.

Chinese Ambassador to India Tu Guowei expressed the wish that this photo exhibition may serve as a showcase through which viewers will know something more about modern China.

The 60 color photos exhibited reflect New China in different fields ranging from the achievements of its 40 years of socialist building to local conditions and customs.

## West Europe

### "Strong Protest" Lodged With French Government

OW 2509111789 Beijing XINHUA in English  
1043 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—The Chinese Government has lodged a strong protest with the French Government for its granting permission to the so-called "Front for Democracy in China" (FDC) for holding the "founding congress" in Paris, according to a press release issued here today by the Foreign Ministry.

The following is the full text of the release:

On September 25, a responsible member of the Department of West European Affairs of the Ministry of Foreign Affairs met French Ambassador to China Mr. Charles Mado by appointment and made representations to the French Government on the latter's granting permission to the so-called "Front for Democracy in China" for holding the "founding congress" in Paris.

The responsible member pointed out that disregarding the solemn representations made by the Chinese side, the French Government went so far as to allow the "FDC" plotted by Yan Jiaqi and others to hold its "founding congress" in Paris. Such action by the French side constitutes serious encroachment upon China's sovereignty and gross interference in its internal affairs. The Chinese Government hereby expresses its profound indignation at this and lodges a strong protest with the French Government.

The responsible member said that Yan Jiaqi and others are criminal law offenders wanted by the Chinese public security organs for instigating and organizing the counter-revolutionary activities aimed at overthrowing the Chinese Government by violence. Their purpose in setting up the so-called "Front for Democracy in China" is to overthrow the Chinese Government and subvert the socialist People's Republic of China. Allowing them to do so on French territory means that the French Government connives at and supports their anti-Chinese government activities. It is indeed a rare case in international relations that the government of a country brazenly supports activities on its territory by a handful of foreigners aimed at opposing and subverting the government of a foreign country with which it has normal diplomatic relations. The above-mentioned action by the French Government is a brutal trample on the principles of mutual respect for each other's sovereignty and mutual non-interference in each other's internal affairs as established in international law as well as the purposes and principles of the UN Charter. It is a serious move to cause deterioration of relations between China and France.

Finally, the responsible member pointed out that as a sovereign state, China brooks no interference in its internal affair by any foreign country. The Chinese side strongly demands that the French Government rein in at

the brink of the precipice and strictly abide by the norms governing state-to-state relations, stop forthwith its interference in China's internal affairs, and immediately prevent further FDC activities from French territory against the Chinese Government. Otherwise, the French Government should assume full responsibility to the further damage therefrom on Sino-French relations.

### "Democratic China's Front" Formation a 'Farce'

HA 2509102089 Beijing XINHUA Hong Kong Service in Chinese 0858 GMT 25 Sep 89

[Report] "Counterrevolutionary and Subversive Organization 'Democratic China's Front' Established in Paris"—XINHUA headline]

[Text] Paris, 24 Sep (XINHUA)—With the connivance of the French Government, the farce of the establishment of the so-called "Democratic China's Front" was performed in Paris over the past 3 days.

When this farce ended on 24 September, the "constitution of the Democratic China's Front" was adopted. Subverting the Chinese Government from abroad is the purpose of this organization. The organizers and engineers of the current anti-government rebellion in Beijing Yan Jiaqi and Wuer Kaixi were announced as "chairman" and "vice chairman" of the "front." Wan Runnan is its "general secretary."

About 150 persons participated in the farce. They came from North America, Western Europe, and Hong Kong and Taiwan, and so on. Apart from Yan Jiaqi, Wuer Kaixi, Wan Runnan, Chen Yizi, Su Xiaokang, and others, who were organizers and engineers of the current counterrevolutionary rebellion in Beijing, reactionary writers who persist in bourgeois liberalization such as Liu Binyan and others were also involved in the farce. At this "inauguration meeting," this group of persons repeatedly and viciously attacked the leadership of the CPC and the socialist system. They also plotted to overthrow the Chinese Government and establish a "bourgeois democratic system" in China. They said that the activities carried out by these Tibetan splittists abroad aimed at splitting the motherland is a "just act." They once again asked Western countries to impose economic sanctions on China. They openly asked the Kuomintang (KMT) in Taiwan to provide funds for them, or even help and lead their anti-government activities. The KMT in Taiwan sent persons to attend the "inauguration meeting." Li Sheng-feng, a KMT member of the "legislative yuan," delivered a speech at the meeting, encouraging this group of persons to "pursue the brightness."

It has been announced that the headquarters of this reactionary organization will be set up in Paris—the capital of France. After Beijing quelled the counterrevolutionary rebellion aimed at overthrowing the Chinese Government, the French Government has always disregarded the international law and the norms governing international relationships. It has taken in, harbored,

and connived with the anti-Chinese government activities in the soil of France by those anti-Chinese government elements who fled China, including those criminal elements wanted by the Chinese Government.

#### **Government Signs Loan Agreement With Austria**

OW 2409211589 Beijing Television Service in Mandarin 1400 GMT 23 Sep 89

[From the "Night News" program]

[Text] An agreement committing the Austrian Government to provide the Chinese Government with mixed loans was signed in Beijing last night. (Tang Jianwen), general manager of China's (Huatai) Technology and Trade Corporation, and (Leiburg), president of Austria's (Akerfai) Water Supply and Drainage Company, signed the agreement on behalf of the respective sides. The loans will be used primarily for imports of advanced technology and equipment to solve the acute water shortage in Yantai City. [Video shows Chinese and Austrian representatives signing agreement and shaking hands]

#### **FDI Helps Train Shandong Hotel Personnel**

OW 2509045989 Beijing XINHUA in English 0211 GMT 25 Sep 89

[Text] Jinan, September 25 (XINHUA)—Some 120 management and service personnel from hotels all over Shandong Province, east China, received their diplomas yesterday from the president of Federal Germany's Bavarian Hotel and Restaurant Training School and the director of the Shandong Tourism Bureau.

Nearly 300 people from major hotels in Shandong Province have received training in foreign hotel services such as the preparation of Western-style food and pastries, mixology, and guest room and dining hall services.

In October 1987, the Bavarian Hotel and Restaurant Training School and Shandong Tourism Bureau signed a cooperation agreement, under which the school trains hotel management and service personnel for the Shandong Tourism Bureau free of charge, and contributes money to set up a hotel school of international level in Shandong Province.

In the past 2 years, the Bavarian Hotel and Restaurant Training School has offered scholarships to 18 people in Shandong Province to study in Federal Germany, and has dispatched more than 30 teachers to do short term teaching stints in the province.

Shandong Province established friendship relations with the State of Bavaria in Federal Germany in 1986.

### **East Europe**

#### **Report on GDR Party, Government Visit**

##### **Leader of Delegation**

OW 2409043589 Beijing XINHUA in English 0201 GMT 23 Sep 89

[Text] Berlin, September 22 (XINHUA)—A party and government delegation from the German Democratic Republic (GDR) will pay an official visit to China from September 25 to October 2.

According to the GDR's official news agency, ADN, the delegation will be led by Egon Krenz, a member of the Politburo of the Socialist Unity Party of Germany, secretary of the party Central Committee and vice chairman of the State Council.

##### **Composition of Delegation**

LD 2509104489 East Berlin ADN International Service in German 0841 GMT 25 Sep 89

[Text] Beijing (ADN)—In Beijing today the GDR party and state delegation led by Egon Krenz, member of the Politburo, secretary of the SED [Socialist Unity Party of Germany] Central Committee and deputy chairman of the State Council honored the heroes of the Chinese people.

At the memorial in Tiananmen Square in the center of the capital they laid a wreath which bore the inscription "Eternal Glory to the Heroes of the Chinese People." An honor guard of the Chinese People's Liberation Army was formed, and a military band played an anthem dedicated to the fallen patriots.

The delegation arrived in Beijing this morning for a friendship visit which will last several days. It was invited by the CPC Central Committee and by the PRC Government. It was cordially welcomed at the airport by Li Tieying, member of the CPC Central Committee Political Bureau, and by other dignitaries.

The delegation consists of members of the SED Central Committee Wolfgang Raachfuss, deputy chairman of the Council of Ministers, Horst Brunner, deputy minister of national defense and chief of the NVA [National People's Army] Political Main Administration, Johannes Chemnitz, first secretary of the Neubrandenburg area [Bezirk] executive of the SED, and Wolfgang Heyl, deputy chairman of the CDU [Christian Democratic Union] and member of the Presidium of the People's Chamber, Jochen Willebrand, candidate member of the SED Central Committee, secretary of the FDJ [Free German Youth] and chairman of the FDJ group in the People's Chamber Bruno Mahlow, member of the SED Central Auditing Commission and deputy head of the international relations department of the Central Committee, and Rolf Berthold, GDR ambassador to the PRC.



The first day's itinerary includes political talks this afternoon with a CPC delegation headed by Qiu Shi, member of the Standing Committee of the CPC Central Committee Politburo and of the CPC Central Committee. Tonight Qiu Shi will host a reception in honor of the guests from the GDR in the National People's Congress building.

#### **Greeted at Airport by Officials**

OH 2509024489 Beijing XINHUA in English  
0156 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—A party and state delegation of the German Democratic Republic arrived here this morning to begin its 6-day friendly visit to China at the invitation of the Chinese Communist Party (CPC) Central Committee.

The delegation is led by Egon Krenz, member of the Political Bureau and member of the Secretariat of the Central Committee of the Socialist Unity Party of Germany and vice chairman of the Council of State of the GDR.

The German visitors will also attend the celebration activities for the 40th anniversary of the founding of the People's Republic of China.

Greeting the visitors at the airport were Li Tiejun, member of the Political Bureau of the CPC Central Committee and State Councillor, and Zhu Liang, head of the International Liaison Department of the CPC Central Committee, as well as Rolf Berthold, GDR ambassador to China.

#### **Wang Fang Meets GDR Transport Delegation**

OH 2509112889 Beijing XINHUA in English  
1101 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—Wang Fang, Chinese state councillor and minister of Public Security, met here today a delegation of Transport Administration from the Ministry of the Interior of the German Democratic Republic.

The delegation is led by Major General Herbert Mai, director of the Transport Administrative Bureau.

#### **Army Delegation Departs Bulgaria for GDR**

OH 2509160989 Beijing XINHUA in English  
1644 GMT 25 Sep 89

[Text] Sofia, September 25 (XINHUA)—A visiting group of the Chinese People's Liberation Army (PLA) left here for Democratic Germany after concluding a 9-day friendly visit to this country.

During the visit, General Guo Linxiang, head of the good-will PLA visiting group, and deputy director of the Chinese PLA General Political Department, exchanged experiences with General Mitko Mitko, on the construction of the army. The two generals shared the view that the restoration of military exchanges between the two countries will be beneficial to the modernization and regularization of the armies of both countries.

Guo and his party also laid a wreath before the Unknown Martyrs Monument in downtown Sofia, visited military academies, troop units and industrial and agricultural projects in the ancient city of Veliko Tarnovo in northern Bulgaria and the well-known resort coastal city of Varna.

#### **Inner Mongolia Develops Trade With East Europe**

SK 2509015189 Hohhot Inner Mongolia Regional  
Service in Mandarin 1101 GMT 25 Sep 89

[Text] Our region has made new progress in conducting barter trade and economic and technological cooperation with East European countries.

Recently, the regional economic and trade delegation successively paid friendly visits to Hungary, Romania, Czechoslovakia, and Poland. The delegation helped the region break the boundaries of the three foreign countries, namely Hungary, Romania and Czechoslovakia, that have not been explored before, and also established economic and trade ties and signed several import and export contracts and economic and technological cooperation agreements with them.

**Political & Social****Meeting Commends Outstanding Party Workers****Jiang Zemin Speaks**

CHU/2209/04000 Beijing XINHUA Domestic Service  
in Chinese 1600 GMT 22 Sep 89

[Local Broadcast News Service]

[Text] Beijing, 22 Sep (XINHUA)—Speech by Comrade Jiang Zemin at the national meeting to commend advanced primary party organizations and outstanding party workers today. This commendation meeting is a major event in the life of our party, as well as an important meeting at a crucial moment after the 4th Plenary Session of the 13th Party Central Committee called upon us to exert great efforts to strengthen party building. This is the first time that we have commended advanced primary party organizations and outstanding party workers on a nation-wide scale since the People's Republic was founded. The delegates to this meeting are only a part of the thousands and thousands of advanced primary party organizations and outstanding party workers. Your advanced deeds are vivid and touching, and worth learning from. In a situation in which the bourgeois liberalist thinking was rampant and in which Comrade Zhao Ziyang had seriously neglected party building the past few years, you resisted the pressure, overcame difficulties, engaged in party building in a down-to-earth way with perfect assurance, and scored gratifying and yet hard-earned achievements.

We have scored great achievements, which are universally acknowledged, in socialist construction led by the party, and have developed and strengthened the ranks of the party continuously over the past 4 decades. Party membership has grown from 4.48 million in the early years of the People's Republic to some 48 million today. Our party has become more and more mature and strong. Our party has made some mistakes and has had some faults over the course of its advance, but it always has corrected them in a spirit of self-reliance and with the support of the people and the masses. Practice has proved that our party deserves to be called a great, glorious, and correct party and the core of leadership in socialist construction. It also has been proved that our party has the capability of shouldering completely the heavy historical responsibility of building socialism with Chinese characteristics. At the same time, however, we should realize soberly that our party is facing the test of holding office, carrying out reforms, and opening the country to the outside world. The attempt by hostile forces at home and abroad to subvert China's socialist system and to topple the Communist Party's leadership has never wavered, while many comrades inside the party lack due vigilance against such an attempt. Under the circumstances of reform and opening to the outside world, bourgeois ideas constantly make inroads into the party organism to produce negative and corrupt practices inside the party and to foster a trend of divorcing

from the masses, thus seriously undermining the party's lofty image in the eyes of the masses. Such a grim reality tells us that our success or lack thereof in building our party well or not will have a bearing not only on the prosperity or decline of the party, but also on the success or failure of the four modernizations, the reforms, and the opening to the outside world. Therefore, we should sum up experiences earnestly and draw lessons from them, show determination to improve and rectify our party, reestablish its lofty image in the eyes of the masses of the people, bring the party's political superiority into full play, and lead the people of all nationalities throughout the country in advancing triumphantly along the road of socialism.

Past experience has proved that party building should be focused on and should serve the party's political line. Party building will lack a correct orientation and it will be difficult to implement correctly the party's political line if we deviate from this guiding principle. The basic line and development strategy formulated by the party since the 3d Plenary Session of its 11th Central Committee are correct. However, due to Comrade Zhao Ziyang's serious negligence of party building, the role of primary party organizations was weakened and the party's basic line was not implemented in an all-around way. This profound lesson always should be remembered.

In order to strengthen party building, we must uphold the fine traditions in party building and actively seek new experiences in doing a good job in party building under new circumstances. Many fine traditions were fostered during the long struggle of revolution and construction under our party's leadership. For example, we have the fine traditions of giving first priority to ideological education in the course of party building, upholding the work styles of integrating theory with practice, forming close ties with the masses, and conducting criticism and self-criticism, and displaying a revolutionary spirit of self-reliance, hard struggle, and wholeheartedly serving the people. These fine traditions are our party's valuable spiritual wealth, as well as the sources of strength and wisdom of Chinese Communists. Any nihilist attitude of ignoring the historical context of things and any practice of negating the party's fine traditions under the pretext of "reform" are erroneous. The great undertakings of reforms, opening to the outside world, and socialist modernization have added vigor to the party building, and also have brought about many unprecedented new circumstances and new problems. While carrying forward the party's fine traditions, we should use Marxism-Leninism-Mao Zedong Thought as our guide, conduct surveys and studies, sum up new experiences, do a good job in party building in the new period, and enrich and develop the Marxist theories on party building in the course of practice.

Our victory in curbing the turmoil and quelling the counterrevolutionary rebellion has created even more favorable conditions for us to implement the general policy of reform and opening to the outside world. We will continue to carry out firmly the economic and

political structural reforms in the days to come. However, all the reforms must be conducive to strengthening and improving the party leadership, and to consolidating and perfecting the socialist system. The ultimate goal of separating party from government functions is to "establish a powerful government operation system," as well as to strengthen and improve the party leadership. It is wrong to hold that "separation of party from government functions" means "severing the connection between the party and the government," or that the separation of party from government functions is for the purpose of strengthening the government functions and weakening the party's leadership and the political nucleus role of primary party organizations.

In order to strengthen party building, it is necessary to implement earnestly the principle that "the party must manage party affairs." Party committees at all levels must give top priority to party building and place it on their daily agenda as an important item. Secretaries of party committees should regard party building as their most important duty and devote their major energies to it. We should realize that a climate for strengthening party building has been created since the 4th Plenary Session of the 13th Party Central Committee. The "Circular on Strengthening Party Building" issued by the Central Committee recently contains the concrete plan and clear and definite provisions for our present and future party building. These have provided favorable conditions for us to do a good job in party building. Party organizations at all levels and all comrades of our party should concentrate on building up the party ideologically and organizationally and on improving its work style, and strive to achieve success.

The vast number of party workers have a particularly important duty to do a good job in party building. They should implement the party's line, principles, and policies faithfully, publicize the party's correct propositions among the masses and organize the masses to implement them, set an example in upholding the party's fine traditions and work style, and take an active part in reforms and in promoting the reforms and opening to the outside world. I hope that the vast number of party workers throughout the country will follow the example of the comrades commended at this meeting in being loyal to the party's cause, showing enthusiasm for the party work, constantly improving themselves, learning and mastering new skills, and working exemplarily to make new contributions to strengthening party building.

#### Further on Meeting

OH 289/21189 Beijing Domestic Service on Mandarin  
22:00 GMT 22 Sep 89

[Excerpts] The national meeting to commend advanced primary party organizations and outstanding party workers came to its victorious conclusion yesterday [21 September] morning at Huaren Hall, Zhongnanhai. Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yulin, Song Ping, Li Ruihuan, Wang Zhen, Li

Ximing, Song Renqiong, Hong Xuezhong and Liu Huchang attended the closing meeting to extend their congratulations. [passage omitted]

The meeting, which was concluded victoriously, was presided over by Song Ping, member of the Standing Committee of the Political Bureau and head of the Organization Department of the CPC Central Committee. Lu Feng, deputy head of the Organization Department of the CPC Central Committee, read a decision reached by the Organization Department of the CPC Central Committee to commend advanced primary party organizations and outstanding party workers.

The decision commended 388 advanced primary organizations and 591 outstanding party workers that have scored remarkable achievements in various fields of endeavor in recent years and made significant contributions in the struggle to curb the recent turmoil and the counterrevolutionary riot in the capital. After the decision was read, the central leading comrades issued citations and certificates of merit to the advanced primary party organizations and outstanding party workers.

#### Jiang Zemin, Others To Hold News Conference

OH 289/115189 Beijing XINHUA in English  
11:44 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—General Secretary Jiang Zemin and other members of the Political Bureau's Standing Committee of the Chinese Communist Party Central Committee will hold a press conference for Chinese reporters and foreign resident correspondents in Beijing on September 26.

"This will be the first press conference to be held by the new party leadership after the quelling of the June counterrevolutionary rebellion," said Li Zhaoxing, spokesman of the Chinese Foreign Ministry, at the weekly news briefing here today.

The press conference will begin at 10:00 a.m. in the Great Hall of the People and is expected to end at 11:30. The Chinese leaders will answer questions raised by journalists.

Li said the press officers of foreign embassies in Beijing can also attend the conference after signing up in the Information Department of the Chinese Foreign Ministry.

#### Jiang Promises 'Pragmatic' Treatment for Zhao

HK 289/132489 Hong Kong TAI KUNG PAO  
in Chinese 22 Sep 89 p 1

["Special Interview" by staff reporter Lei Ching-pun (7191 4552 2430): "Not for Personal Gain"—Chao Hao-sheng on Meeting With Jiang Zemin"]

[Text]

### Accepting an Order in a Difficult Situation

"For the sake of the country one should not fear death, still less should one consider one's own misery or happiness." Former Shanghai Mayor Wang Daohan used these remarks by Lin Zexu to encourage Jiang Zemin prior to his departure from Shanghai for Beijing to take up the post of CPC general secretary. This expressed his support for Jiang Zemin. During a meeting with retired Yale University Professor Chao Hao-sheng a few days ago, Jiang Zemin used these remarks to describe his feelings when being appointed CPC general secretary without any mental preparation.

Chao Hao-sheng arrived in Hong Kong from Beijing yesterday to visit friends. In an interview with this reporter at his hotel, Chao Hao-sheng said that during a meeting with Jiang Zemin on 19 September he asked him about his feelings on taking up the post of CPC general secretary. "Jiang Zemin said he took up the post totally unprepared. He majored in engineering and so was mainly in charge of work related to industry. His 4 years as mayor of Shanghai greatly influenced him. He discovered there was a difference between local and central officials and when his appointment as CPC general secretary was announced, he thought he was 'accepting an order in a difficult situation.' Former Shanghai Mayor Wang Daohan quoted Lin Zexu to encourage him."

Displaying Lin Zexu's remarks which Jiang Zemin had written for him, Chao Hao-sheng said that he had held a long-distance telephone conversation with Wang Daohan during which Wang said that when Lin Zexu burned opium at that time, many people disagreed. Lin Zexu's remarks were very wise and portrayed his selfless devotional spirit.

### Lin Zexu's Remarks

Jiang Zemin said that the most essential problem was to push forward the economy. Chao Hao-sheng pointed out. When economic problems are solved, other problems will also be solved. Jiang Qemin said because he is in charge of the Political Bureau Standing Committee he must listen to the opinions of others and the suggestions by veteran leaders, he must not let Deng Xiaoping down.

### As If on the Brink of a Deep Ravine, As If Walking on Thin Ice

"I talked with him for 1 and 1/2 hours and we talked about many problems. I have the impression that Jiang Zemin has established new features for Chinese leaders. First, he is politically minded and has received higher education. He knows science and technology. Therefore I put him among current 'technocrats' who are also state leaders. Many leaders of developed countries are technocrats. Jiang Zemin is equipped with these good conditions. Moreover has been a local official, is very modest, and has devotional spirit. He said he felt as if he were on the brink of a deep ravine, or walking on thin ice, when he took up the new post. He is aware that he

undertakes a heavy responsibility and has a long way to traverse. People overseas will support him when they know more about him."

According to Chao Hao-sheng's description, Jiang Zemin will form a nucleus composed of technocrats to invigorate the Chinese nation because he wants to catch up with the world trend. Many leaders of developed countries and regions are technocrats.

### Zhao Ziyang's Merits and Faults Should Be Treated Pragmatically

During the meeting Chao Hao-sheng also asked Jiang Zemin about Zhao Ziyang. "Jiang Zemin said Zhao Ziyang is being treated in a completely pragmatic manner, his merits will not be erased but his faults should also be clarified. Jiang Zemin called Zhao Ziyang comrade throughout his talk. He added that the 4th Plenary Session of the 13th CPC Central Committee was too short to clarify Zhao Ziyang's problems. His problems will be handled in a pragmatic manner after they are clarified."

"I believe that as a third generation leader, Jiang Zemin has the ability to catch up with the times. He said he would wholeheartedly devote his efforts to the economy. This is indeed paying attention to the essential point." Chao Hao-sheng used "quite satisfactory" to describe his meeting with Jiang Zemin. Chao Hao-sheng said that Beijing is making preparations to celebrate the 40th founding anniversary of the PRC and Jiang Zemin will make a speech reviewing the situation. As he sees it, many people overseas will know more about this new leader after listening to his speech.

### Further on CPPCC Celebration Activities

OH 2109111189 Beijing Domestic Service in Mandarin  
1000 GMT 21 Sep 89

[Text] According to a station report, Li Xiansan, chairman of the National Chinese People's Political Consultative Conference [CPPCC] Committee, and other party and state leaders including Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wang Zhen gathered together in a joyous atmosphere at the National CPPCC auditorium this afternoon to join the people of all walks of life in warmly celebrating the 40th anniversary of the founding of the CPPCC.

Late Chairman Mao Zedong had announced solemnly the founding of the People's Republic of China at the first CPPCC plenary session 40 years ago, saying that the Chinese people, who accounted for one quarter of the world population, had now stood up. The CPPCC, under the leadership of the Communist Party of China, has played an important role for the last 40 years in building and developing the People's Republic, promoting socialist revolution and construction, realizing the four modernizations at an earlier date, and achieving the reunification of the motherland.



The atmosphere in the well decorated and brightly lit CPPCC auditorium today was very joyous. Party and state leaders arrived at the auditorium at 1500 today to meet with all chairmen and vice chairmen of all previous national CPPCC committees and to celebrate the glorious CPPCC festival. They also had their pictures taken to keep as mementos. The officials also visited an exhibition of Chinese painting and calligraphy in celebration of the 40th anniversary of the founding of the CPPCC. Together with more than 1,000 people, including members of the National CPPCC Committee who happened to be Beijing and comrades of relevant departments, the state and party leaders enjoyed some literary and art performances.

Also participating in today's celebrations were leading comrades such as Deng Guangren, Song Renqiong, Wang Shoudao, Lou Lantao, Xiao Ke, Cheng Zihua, Xi Zhongxun, Peng Chong, Zhu Xufan, Rong Yiren, Sun Qimeng, Lei Jieqiong, and others. Vice chairmen of the Sixth and Seventh National CPPCC Committees who participated in today's celebrations were Wang Renzhong, Gu Mu, Kang Keqing, Zhou Peiyuan, Zhao Puchu, Qu Wu, Ma Wenru, Qian Xuesen, Qian Weichang, Hu Sheng, Sun Xiaocun, Cheng Siyuan, Ismail Amat, Hou Jingru, Yang Chengwu, Chen Zaidao, Lu Zhengcao, and Wang Feng.

At today's celebrations, Li Xiannian, Wang Renzhong, and Sun Xiaocun presented certificates of honor to all staff workers who have worked at the CPPCC for 30 years.

#### State Council Punishes Ministry for Extravagance

OH 2299111589 Beijing XINHUA in English  
1257 GMT 22 Sep 89

["Ministry Punished for Extravagance"—XINHUA headline]

[Text] Beijing, September 22 (XINHUA)—The Ministry of Light Industry has been deprived of the right to use its new ultra-luxurious office building, according to a ruling by the State Council.

He Yong, vice-minister of supervision, told a press conference here today that the decision of the State Council stems from the consideration that the building has been built with an investment of one and a half times more than the permitted budget and that funds were inappropriately utilized.

The building, located in west Beijing, was completed in late 1988 after more than two years of construction. It is too extravagantly decorated to match the general standards of office buildings, particularly the offices for the minister and vice-ministers.

Each of the six suites of ministerial offices on the building covers more than 70 square meters of floor space whereas the usual office for a minister is only 30 to 40 square meters.

The construction of the building using foreign capital including the use of imported material is also improper, the vice-minister said.

"This has violated the country's long-pursued policy of hard work and plain living." He said.

The building will be handed over to the state's Administrative Affairs Bureau for sale and the money shall be turned over to the Ministry of Finance, the vice-minister said.

The leaders of the ministry responsible for the malpractice have made self-criticisms and they have promised to draw lessons from it. He Yong noted.

#### Commentator Supports Action

OH 2299111589 Beijing XINHUA Domestic Service  
in Chinese 1457 GMT 22 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 22 Sep (XINHUA)—Article by XINHUA special commentator

#### Central Party and Government Organs Should Take the Lead in Living Plainly and Working Hard

The State Council has handled with utmost seriousness the problem of the Ministry of Light Industry, which built an ultra-luxurious office building with funds in excess of its permitted budget and utilized inappropriately. The State Council has decided that the new office building will be handed over to its Administrative Affairs Bureau for disposal and that all the proceeds shall be turned over to the state's treasury. It also has asked the Ministry of Light Industry to make a thorough self-criticism. The decision is completely correct.

This event tells us that it is extremely important for the vast number of cadres, particularly leading cadres at various levels, to enhance their sense of arduous struggle and to keep and carry forward the fine tradition of doing hard pioneering work. Some leading cadres of the Ministry of Light Industry committed the mistake of seeking luxury and of extravagance and waste in the course of the construction of the office building because they forgot the fine tradition of plain living and hard work under the new circumstances. At present, our country is still in the initial stage of socialism, and the level of our productive forces and the people's material living standards are still quite low. While undertaking socialist modernization under such national conditions, we must do hard pioneering work and be industrious and thrifty in all undertakings.

Comrade Deng Xiaoping pointed out recently: "Hard work is our tradition. The promotion of plain living must be a major objective of education, and this should be the keynote for the next 60 to 70 years. The more prosperous our country becomes, the more important it is to keep hold of the enterprising spirit." Hard work is a demand set not only for the broad masses of people. It is

even more important that it should be a demand set for leading cadres at various levels. The "decision of the CPC Central Committee and the State Council on doing a few things of concern to the masses in the near future" adopted after a recent discussion by the Political Bureau of the CPC Central Committee has shown the firm determination of the Party Central Committee and the State Council to maintain a clean government. It also has set an example for leading cadres at various levels to be honest in performing official duties.

Party and government organs at all levels, particularly the central organs, must set an example and take the lead in being honest, living plainly, and working hard. They must take the lead in resolutely opposing extravagance and waste, and in building no luxurious facilities. Party and government organs should draw a lesson from the mistake made by the Ministry of Light Industry, seriously inspect extravagance and waste problems in their localities and organizations, and take measures immediately to solve the problems. If party and government organs are doing so in a serious way, they will be able to cultivate in the whole society and among all the people a habit of plain living and hard work and of being industrious and thrifty in building up the country and in all other undertakings. Then they will be able to accelerate the socialist modernization and ensure a smooth procession of reforms and opening to the outside world.

#### Cultural Vice Minister Discusses Reform

HK 2499012889 Hong Kong WEN WEI PO  
in Chinese 23 Sep 89 p. 1

[Article by correspondent Yao Hui-pao (1202 2946 0202): "Discussion on Literature and Art Reform Following the 4 June Incident—Interview With Vice Minister of Culture Ying Ruocheng"]

[Text] There has been some reshuffling in the leadership of the Ministry of Culture recently, with the resignation of Minister Wang Meng because of poor health. Some performances in vanguard forms have nearly disappeared. The number of actors on road show (called "zou xue" [6382 4494] on the mainland) has also reduced by a wide margin. People cannot help but wonder: Will literature and art reform continue? Will the structural reform over the past few years be acknowledged?

Ying Ruocheng, vice minister of culture and concurrently vice chairman of the Second Chinese Art Festival Organization Committee, frankly answered the above questions in an interview with this reporter here today. [23 September]

First, there should not be any doubt about the continuous pursuit of reform and opening up regarding the literary and art circles since the general principle of China's reform and opening up to the world will remain unchanged, as stated positively by Ying Ruocheng, this vice minister who has been an actor. He added that some people overseas regard Wang Meng as belonging to the reformist school, while they categorize the newly

appointed acting Minister of Culture He Jingzhi as a conservative. Ying Ruocheng did not like the idea of such labeling of two of his colleagues. He said that man is capable of thinking.

Ying Ruocheng believed that the basic problem in the structural reform of the literary and art circles remains unresolved despite some accomplishments in this aspect in recent years, and a partial solution to the overstuffed condition by some literary and art organizations through the implementation of "supporting men of letters with income derived from their writings" and other forms. Therefore, explorations must be continued in the structural reform of literature and art.

A recent popular topic among China's literary and art circles has been the "road show." Ying Ruocheng stated that it is primarily necessary to regard the "road show" as legitimate. The practice of some theatrical troupes giving performances in rural areas despite hardships should be encouraged. The point is that administration should be strengthened. Some of the road show advertisements could be staggering, as if all first-rate actors would have been netted in a single road show. Some "sponsors of road shows" (xue tou 4494 7333) not only cheated the audience but also the actors while seeking exorbitant profits. Ying said that the crucial point in the road show is actors' individual income tax payments. Because income tax in this category had been interrupted over 30 years, some psychological obstacles are unavoidable. The solution to this problem will take some time.

A bigger problem can be the voluminous brain drain in the literary and art circles. A large number of young talent, who had been cultivated with great care and had begun to become successful, have managed to further their education abroad through various channels in recent years. Will this lead to a change in the policy of sending people to study abroad? Ying Ruocheng believes that this specific policy as a component part of the policy of reform and opening will remain unchanged. As to the phenomenon of some students studying abroad and then not returning to their motherland, it is rather universal among the Third World countries. The problem of economic treatment is all too obvious. People will never earn tens of thousands of yuan in their lifetime in China, but that can be accomplished in a year or so overseas. To draw people back, the government must improve its work. In fact, quite a few people are willing to return. The key lies in whether a fine working environment can be provided for them. In addition, the government should permit the free passage of some famous artists in and out of the country, so that they may fully demonstrate their talents on various stages in the world.

The past 10 years have seen a rebirth of Chinese local operas, while they are facing a shrinking audience. Ying Ruocheng said that in actuality many ways of expression and the time concept of Chinese local operas happen to coincide with Western modern art. The trouble is that most local operas are slow in tempo, old in content with many feudal concepts of loyalty, filial piety, chastity, and

righteousness, which are not easily accepted by young people. Therefore, Chinese drama should undergo reform, so that young people may see the subtlety in Chinese drama. Some accomplishments have been scored in this aspect recently, for example, the performance of the Beijing opera "Cao Cao and Yang Xiu" in Shanghai has won warm acclaim from young audiences. As to the defection of some famous artists including some Kunqu opera artists, Ying Ruocheng stated that the art of Kunqu opera will never be developed away from Chinese soil. It is necessary to show respect for the fact that the rebirth of ancient Kunqu opera was possible only after the founding of the PRC.

The Second Chinese Art Festival is held only 100 days after the June 4th Incident, and some effects are inevitable. As the deputy director of the organization committee of the current festival, Ying Ruocheng said that generally speaking the impacts have not been so great, and the festival is held as scheduled. Several foreign performance art troupes have failed to come for the occasion on economic grounds. We regret it. I believe they will come sooner or later, because China's policy of reform and opening up will remain unchanged.

#### **Wu Xueqian at Ceremony Honoring Foreign Experts**

*OH 209013889 Beijing XINHUA in English  
1253 GMT 23 Sep 89*

[Text] Beijing, September 23 (XINHUA)—The State Council issued certificates of honor today to 29 veteran foreign experts working in China to commemorate their contributions to the Chinese revolution and construction.

The certificates, signed by Chinese Premier Li Peng, praised their devotion to the cause of the Chinese people's liberation and socialist construction as "having enhanced the understanding and friendship between the Chinese people and the rest of the world."

Most of the honored experts came to China in the 1930s and 1940s, and some were sent to China by the communist parties of other countries after the founding of the People's Republic in 1949.

The average age of the experts is 72 and the oldest is now 93 years. Twenty-six of them are still working in China's press, broadcasting, publishing and educational institutions.

They come from the United States, Britain, France, Canada, the Federal Republic of Germany, Austria, Japan, Thailand and Malaysia.

"Over the past several decades, you have devoted your most precious years to the revolution and construction of China, and you have proved yourselves to be the most sincere friends and comrades of the Chinese people who will never forget your contributions and friendship," said Wu Xueqian, vice-premier of the State Council, at the awards ceremony.

During the April-June anti-government riots, Wu said, the experts showed great confidence in the leadership of the

Chinese Communist Party and full understanding of the resolute measures taken by the party and the government.

Li Tiying, state councillor and minister of the State Education Commission, and Luo Gan, secretary-general of the State Council, attended the ceremony.

#### **Commentator on "Correct" International Relations**

*HK 2509011289 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 23 Sep 89 p 1*

[Article by contributing commentator: "The Five Principles of Peaceful Coexistence Are the Norm for the Correct Handling of Relations Between States"]

[Text] More than 3 months have elapsed since the Chinese Government quelled the counterrevolutionary rebellion in Beijing. In these three months and more, the international community has acquired a more comprehensive, more objective, and more just knowledge and understanding of the truth and nature of the storm, the market for lies and rumors has shrunk daily, and more and more countries have expressed "understanding" and "support" for the Chinese Government's quelling of the rebellion. Certain other countries have started to change their stand and are ready to resume and further develop their political, economic, and cultural relations with China. We hold that this represents wise and realistic consideration, and deserves our welcome.

However, just when many countries are reconsidering and reassessing their policy toward China and readjusting their actions, certain people in Western countries are uttering extremely discordant noises and putting forward some weird theories. They have publicly proposed that "the Chinese Government's respect for basic human rights" and "the implementation of genuine reforms and opening up" must be the "preconditions" for restoring and developing ties with China. Some have even proposed so-called "exchanging economic cooperation for democracy." Not long ago, the summit meeting of seven Western countries adopted a resolution on the so-called "China question," openly condemning us for "ignoring human rights" and requiring that we "create conditions" as a "basis" for restoring cooperation with the West. In regard to relations with China, certain Western power-holders are openly compelling us to change our domestic policy as a precondition for improving our relations with them. This practice has seldom been seen in international relations and cannot but arouse our serious attention.

In international relations, the relations between states should be equal, and no country has the right to interfere in the internal affairs of another as a precondition for improving relations with them. To insist on the aforementioned precondition is to practice out-and-out power politics and hegemonism. The Chinese people naturally cannot accept this gross interference in China's internal affairs.



We have stated many times, and volumes of materials have shown, that this storm that occurred in Beijing was engineered and instigated from behind the scenes by a very small number of people with the aim of overthrowing CPC leadership and subverting the socialist republic; it was absolutely not a so-called movement to fight for democracy and human rights, as was distortedly reported by certain Western media. Quelling the counterrevolutionary rebellion was a life-and-death struggle related to China's future and destiny. It was a necessary move for defending the socialist system and ensuring that reforms and opening up will advance along the correct orientation. No government could permit the unbridled spread of such turmoil and rebellion. That the Chinese Government took steps to put an end to the rebellion in light of the actual circumstances may not have been to the taste of certain Western countries, but it certainly cannot constitute a reason for crude interference. Even if all kinds of domestic disturbances broke out and steps were taken to quell them in those Western countries that have energetically censured China, we would not interfere in their domestic affairs, nor would we impose our view on others, or go so far as to propose so-called preconditions for improving relations, just because our view of them differed from theirs. What right have certain people in Western countries to make such arbitrary, repeated, and indiscreet criticisms over a matter which is purely China's internal affair?

It must be pointed out here that the expressions used by certain Western politicians to the effect that China must "return to the policy of reform and opening up" and "implement genuine reform and opening up" as a condition for improving relations are extremely absurd.

The whole world acknowledges that China has scored tremendous achievements during the 10 years of reform and opening up. Since the quelling of the counterrevolutionary rebellion in Beijing, China's leaders have repeatedly asserted that there is no change in China's policy of reform and opening up and that the pace of reform and opening up will be steadier, better, and even faster. This also is common knowledge. In these circumstances, what do certain people in the West mean by consistently demanding that China "practice genuine reform and opening up"? To put it bluntly, it is because what China practices is reform and opening up on the basis of adhering to the four cardinal principles, and this is not to their taste; what they mean by "genuine reform and opening up" is that the Chinese people should carry out reforms and opening up not according to their own national conditions but in accordance with those Westerners' directions, desires, and patterns. They have miscalculated in this. We must tell these people that what social system the Chinese people choose and the orientation for China's reforms and opening up to develop are none other than China's own affairs and no one else has the right to interfere in them. Practice has proved that reform and opening up on the basis of adhering to the four cardinal principles accords with China's national condition and is an effective policy supported by the

people of the whole country. The Chinese Government and people will certainly not abandon the four cardinal principles, which form the foundation for building the country, nor will they block the road for building a strong country, that is, practicing reform and opening up.

It is universally accepted that an important principle to be strictly followed in dealing with international relations is not to interfere in the internal affairs of another country. Countries big or small, strong or weak, and rich or poor should all be equal; they should mutually respect each other's sovereignty and mutually refrain from interfering in each other's internal affairs. History has proved that this is the correct principle for relations between states.

The principle of noninterference in other countries' internal affairs emerged during the period of the French Revolution. At that time the Republic of France proposed this principle in order to oppose interference in its revolution by the feudal autocratic monarchies of Europe. However, this principle was not truly followed in subsequent history. The frenzied pursuit of aggression, plunder, and enslavement of colonies practiced by colonialism and imperialism led to countless clashes, massacres, and wars, and noninterference in internal affairs became empty words. Since World War II, in view of the historical lesson that the principle of noninterference in other countries' internal affairs was trampled on by the aggressive fascist forces to an unprecedented extent, the principle of noninterference in internal affairs has been affirmed in the "United Nations Charter" and in a series of subsequent major documents of international law. As the peoples in the colonies of Asia, Africa, and Latin America gained independence, the cries of opposition to imperialist interference and aggression grew louder and louder. At the Bandung Conference in 1955, the Five Principles of Peaceful Coexistence advocated by China and other countries were solemnly incorporated into the communique of the conference. Since then, the Five Principles of Peaceful Coexistence have been more and more accepted by people and universally welcomed throughout the world as the antithesis to power politics. Tested by the volatile international environment for more than 30 years, the Five Principles of Peaceful Coexistence have proved to be the correct principles for handling relations between states and can withstand the test of time. Adhering to these principles is of great significance for preserving peace and stability in the world; on the other hand, if these principles are sabotaged, not only will it be impossible to improve relations between states, but contradictions, conflicts, and even wars will break out, the international atmosphere will greatly deteriorate, and the world will be in great turmoil.

The experiences of history and the present day tell us that no matter how much hegemonism and power politics are hated by the people and vigorously condemned, and no matter how much interference in other countries' internal affairs is spurned by the world's peoples and universally opposed by the countries of the world, there

are always some people in the world claiming to be international "judges" who regard interference in other countries' internal affairs as their own mission and flagrantly condemn everything they dislike. This struggle between interference and opposition to interference is still being waged today. However, the world today is different from the old days, and any country that wants to act as a world "judge" is bound to fail.

What is noteworthy now is that some people are spreading the idea that the Five Principles of Peaceful Coexistence are "outdated" and the present most popular value concept is "human rights." This is a completely groundless view, as well as a very harmful one.

Due to differences in social system, ideology, and value concepts between different countries, plus the many variations in their cultural traditions, customs, and habits, different countries understand human rights in different ways. This is something quite natural. The Chinese Government has consistently attached importance to the question of human rights. China's Constitution and laws guarantee extensive rights for our citizens including various rights of the individual. However, human rights are not absolute. The exercise of any rights and freedoms is both protected by law and also cannot but be circumscribed by law. China's quelling of the counterrevolutionary rebellion in accordance with the constitution and the law is something completely different in nature from the human rights issue. The present problem is that some in the West always think that their value concept is the absolute truth as well as a norm that commands observance by all in the world community, and they use this as a yardstick with which to judge and interfere in the internal affairs of other countries. This is a manifestation of power politics. The reason why they preach that the Five Principles of Peaceful Coexistence are "outdated" is that they are attempting in vain to replace these five principles with their own value concepts as the norm for relations between states. If every country acts in the same manner to impose its own social system and value concepts on others, what norm of international relations is there left to speak of? Would the world not be in a big mess? It is clear that some Western countries are clamoring for "human rights" only as a cover to achieve their true intention: interfering in the internal affairs of other countries. This tells us that a sharp struggle is still being waged today over whether to uphold or oppose the Five Principles of Peaceful Coexistence. At the same time, it proves yet again that far from the Five Principles of Peaceful Coexistence being outdated, it is all the more urgent and practical to uphold them today. Comrade Deng Xiaoping recently pointed out: "The Five Principles of Peaceful Coexistence should become the norm for resolving international political and economic problems." He also proposed that a new international political order should be established on this basis.

Here, let us reiterate: Whatever happens, the Chinese Government and people will, as always, uphold the Five Principles of Peaceful Coexistence and the norm for

international relations to actively develop relations of friendship and cooperation with all countries. The history of New China over the past 40 years proves that China is a country that stresses principles and keeps its word; it will not yield to any external pressure, nor will it sacrifice principles to make deals. Today, as in the past, we will not accept any preconditions which certain Western countries vainly attempt to impose on us. It is not our fault that some abnormalities have currently emerged in relations between certain Western countries and China. To make the country prosperous and strong, China will continue with reforms and opening up and will not close again the doors already open. Whoever started the trouble should end it, and the key to restoring and developing normal relations with China is for these Western countries to discard their prejudices, take a more far-sighted view, proceed from long-term interests, and adopt an enlightened policy toward China. We believe that so long as these Western countries can change their shallow views and shortsighted ways, respect the facts, respect the norm for international relations, and take positive steps of their own accord, their bilateral relations of cooperation with China, based on the Five Principles of Peaceful Coexistence, will be restored and developed steadily.

#### National Day Boycott Investigation Continued

HK, 24 SEP 1989 Beijing RENMIN RIBAO  
(OVERSEAS EDITION in Chinese 21 Sep 89 p. 1)

[Article by Fang Ran (2455-3544): "It is Impermissible To Profane the Republic's Grand Celebration"]

[Text] The Chinese people are about to greet the grand festival to celebrate the 40th anniversary of the establishment of the PRC. This is a solemn and sacred festival.

The prosperity and strength of the PRC in the Orient illustrates the true independence of the Chinese nation; it shows that the Chinese people have become the masters of their fate, and is the hallmark of great victory for the socialist cause. All Chinese who love the Chinese nation and have made contributions to the birth of New China and to her prosperity and strength are filled with pride at the tremendous achievements of New China over the past 40 years and will enthusiastically celebrate the glorious festival marking the 40th anniversary of the founding of their own state.

The rise of socialist China has always been regarded by imperialism and foreign anti-China forces as a blow and threat against themselves, hence they are always devising ways to strangle China and wipe it out. It has always been imperialism's strategy to subvert socialist China. When armed intervention could not succeed, they switched to a strategy of "peaceful evolution" and did not hesitate to pay high prices to cultivate trusted followers and instigate and support hostile political forces in a bid to subvert us from within. The moment these people get a chance, they will gather together to

whip up anti-China and anticommunist forces. Not long ago, with the extensive support of the people, the Chinese Government with one stroke put a stop to turmoil and quelled the counterrevolutionary rebellion, thus frustrating the conspiratorial activities of hostile forces at home and abroad in their vain attempts to subvert the PRC. As a result certain people unable to contain themselves, moved to certain major Western countries the farce they had been unable to stage in China and continued to stir things up under the connivance and protection of foreign hostile forces. Recently, criminal rebels who fled abroad such as Yan Jiaqi and Wuer Kaixi acted in collusion with certain reactionary organizations that have long been hostile to the Chinese people and the PRC, again engaged in demonstrations and rallies, and rigged up a "democratic front" and "autonomous federation," they described as a "democratic movement" what was clearly a counterrevolutionary rebellion in China aimed at subverting the people's legitimate government, and staged "commemoration" activities for the so-called "victims." Recently, the "Liaison Committee of the Chinese of Washington for Supporting the Democratic Movement," which is manipulated by reactionary Taiwan forces, and the "Chinese Democratic Alliance," which was long ago proclaimed by the Chinese Government to be an illegal organization, and which sent people to Beijing to create turmoil, took over Yan Jiaqi's slogan of so-called "There is no 'National Day' for China, only a 'day of mourning,'" and became active everywhere, rousing in certain people and proclaiming that on 1 October they will "hold a worldwide activity of united protest against the crimes of the CPC" as a boycott of China's National Day. The Chinese people and the Overseas Chinese compatriots abroad have expressed strong righteous indignation at this vicious attempt to profane the PRC's grand celebration, and will closely watch how these affairs develop.

It must be pointed out that the so-called "activities to boycott National Day" jointly plotted and engineered by a very small number of people and some hostile political forces in certain major Western countries represent despicable conduct with sinister intentions. These people and certain political forces have never done the slightest thing to advance the cause of the Chinese people or for the prosperity and strength of People's China. When the PRC encountered temporary difficulties, they gloated over the country's misfortunes, when the PRC developed smoothly, they did everything they could to undermine it and worked in every way to hamper the pace of the Chinese people's construction and progress. This time, in gathering together a number of people in a vain bid to launch an attack by taking advantage of the 40th anniversary of the PRC, they want to besmirch the international image of the PRC, oppose the Chinese people's upholding of CPC leadership and their confidence in following the socialist road, and cause confusion and incite antagonism between Chinese students abroad and the people's government and drag still more people into the mire of opposing China and communism. However, their conspiratorial activities are bound

to get nowhere. So long as China's students abroad and the Overseas Chinese and other Chinese abroad heighten vigilance and see through their tricks, it will be very difficult for them to stage their farce.

Here, we believe that it is necessary to say a few words to Chinese students studying abroad. You are working hard and studying assiduously in distant lands, with your hearts linked to your motherland. The great majority of you have the sincere desire to "repay the motherland as soon as your studies are completed." The motherland and the people trust you in this; they place great hopes in you and hope that you will contribute to making the motherland prosperous and strong. As you are far away from the motherland, you have not personally experienced the political storm that took place in Beijing during the spring and summer, and you are unaware of many facts. In addition, the distorted reporting in the Western media has for a time made it difficult for you to distinguish between true and false and between right and wrong. In these circumstances, we sincerely hope that you will keep sober minds and observe and reflect on things more. You have all the rights and the conditions to reflect through normal channels your concern for what happens in your country, and to put forward your own views, criticisms, and suggestions, but you should by no means be incited by the clamor of those people with ulterior motives, impulsively and mistakenly fall into the mire they have prepared, and do things that insult the country's dignity and hurt the feelings of the people of the motherland. The motherland and the people believe that, in the face of this major matter of right and wrong involving the state's honor or disgrace, you, filled with patriotic feelings, will spontaneously boycott and oppose activities such as "Boycotting National Day" organized by a very few people and their reactionary political forces. At the same time, we also place our hopes in the Overseas Chinese and other Chinese abroad. The prosperity and strength of New China has gained your extensive support and cooperation, and the enhancement of New China's international status has filled every Chinese living abroad with pride and honor. The tremendous construction achievements of New China in the past 40 years and the happiness she has brought to the Chinese people are acknowledged by the whole world and no erasing of them will be tolerated. China needs to continue to develop and in this it will still require the support and help of the Overseas Chinese compatriots and other Chinese abroad. We profoundly believe that the overseas Chinese compatriots and other Chinese abroad will naturally be able to see through the goal of the shameful activity of the "day of mourning."

The PRC has experienced 40 glorious years, and it will enjoy countless more glorious periods of 40 years, because it is a state where the people are the masters of the house and it is soundly rooted in the fertile soil of socialism that brings happiness to the people. The noise and troublemaking of a few individuals cannot shake the Chinese people's resolve and confidence to advance bravely along the broad road of socialism.



### Article Criticizes Hu Jiewei's Press Theory

JIA 180903 3389 Beijing JINGJI CANKAO in Chinese  
90 Aug 89 p 1

[Article by Xu Renzhong (177b 0086 0112): "Hu Jiewei's 'Launching the Attack' and His 'Two Whichever' Theory"]

[Text] In the tumultuous May, Comrade Hu Jiewei published a special article entitled "Without Press Freedom, There Would Be No Genuine Stability" in SHIJI JINGJI DAOBAO. There is really something behind his grand words and expressions.

### An Appeal That Encourages Turmoil

As everybody knows, the RENMIN RIBAO 26 April editorial entitled "Take a Clear-Cut Stand Against Turmoil" has clearly pointed out: Making use of student youth, a tiny number of people with ulterior motives fabricated rumors, slandered, abused, and attacked party and state leaders using big- and small-character posters, and even stormed Xinhuaamen in Zhongnanhai where the party Central Committee and the State Council were located. Some people shouted reactionary slogans like "down with the Communist Party." In Xian and Changsha serious cases of beating, smashing, looting, and burning occurred. All these are irrefutable facts of turmoil. However, it was on 8 May, 12 days following the editorial's publication, that Hu Jiewei who was well aware of the "timely effectiveness" and "clear objectives" of news hastily dished out his special article to openly attack the party and the government using "special language" full of definite implications and loopholes ready for him to explain it away and escape responsibility at any time.

At that time, when a small number of plotters had incited university students to create turmoil in the capital, thus destabilizing the situation, Hu Jiewei said: Without press freedom, there would be no genuine stability. To put it another way, he asserted emphatically: The turmoil is caused by "having no press freedom" and people who plotted to create the turmoil are nonexistent. The special article he published against this background can be called shooting three hawks with one arrow: absolving the creators of turmoil from guilt, emboldening them, and providing them with a "theoretical excuse" for their sophistry and counterattack.

Hu Jiewei indicated new tactics for the turmoil and supplied ideas for its escalation. The logical language of his special article is very plain: To check the turmoil and seek stability, the government should acknowledge Hu Jiewei's advocacy of "press freedom," that is, the freedom to oppose the four cardinal principles. Otherwise, "though in appearance, the situation gives people a false impression of stability and unity, in fact, it is achieved at the price of people's insensitivity, indifference, and depression and a very great danger is brewing." If his demand is not met, people should not imagine that it is possible to achieve stability and the turmoil will go on

without end. Hu Jiewei is indeed a "master writer." In his special article, how ingeniously he threatens and blackmails and how ingeniously he instigates and induces people. He is indicating the creators of the turmoil and people unaware of the true situation to regard the fight for so-called "press freedom" as an important breakthrough point and concrete objective of endeavor of the next step of the turmoil.

Just as expected, more and more slogans and posters demanding the so-called "press freedom" were chanted and posted later on during the turmoil. Press freedom was used indiscriminately to promote the escalation of the turmoil, thus producing extremely grave disastrous effects. One may well say that this has satisfied Hu Jiewei's wish. This being the case, we say that his special article is an appeal that encourages the turmoil and an attack against the party and the government.

### An Analysis of the "Two Whichever" Theory He Created

To provide grounds for the argument of "without press freedom, there would be no genuine stability," Comrade Hu Jiewei created a "two whichever" theory of his own in his special article.

He wrote: "Let us take a broad look at the world situation. Whichever countries have greater press freedom are relatively stable, where military coups are difficult to take place and political unrest caused by illegal rises to power and fallouts of power are quite rarely seen. On the contrary, whichever countries have no freedoms or lack press freedom, their political situations are unstable and even if their economies are developed and their people are relatively better-off, the people are always without no peace of mind and officials in power more often than not live in fear and trepidation."

The "two whichever" theory appears like what is described and is highly perplexing. However, with some analysis, we will see through its absurdities.

Whether the political situation of a country is stable or not or whether a society is stable or not is determined by many complex factors which are interwoven rather than a single factor. Of these factors, specific and general economic and political problems play a decisive role. At the same time, the international factor should not be neglected. In the present time, all countries in the world have a thousand and one links with one another and it is impossible for a country to close itself from the rest and make itself completely "impenetrable." Especially when it comes to developing countries, it is much easier for foreign interfering and destructive forces to make inroads into them. The press freedom issue is part of the political and economic problems of a state and is of "a derivative nature." It can play a promotive or destructive role in the state's stability. For example, in the current turmoil and rebellion in Beijing, the erroneous press guide played an extremely bad role for a time. However, in the final analysis, the press freedom issue is not a cause vital to determining the stability of a state.



Just as Deng Xiaoping said when he analysed the current storm: "This is determined by the major international climate and China's own minor climate. It was bound to happen and is dependent of man's will."

However, Hu Jiewei singled out the "press freedom" issue as a prerequisite and decisive factor for the stability of a state. He replaced many factors with one factor and regarded nonessential factors as essential ones and derivative things as essentials. This argument does not conform to the objective realities and is, therefore, antiscientific and has an ulterior object in view.

The "countries which have greater press freedom" as pointed out by Hu Jiewei in his first "whichever" category, just as the special article discussed in another occasion, refer to the so-called "democracies with a relatively sound legal system" as people in the West called developed capitalist countries themselves. Hu Jiewei strictly defined the "political unrest" in these "democracies" as "military coup and illegal rises to and fallouts of power." Can workers' strike, class strike, disturbance, and looting and killing be considered "unstable factors"? He said nothing about them. The second "whichever" category refers to "the countries which have no freedoms or lack press freedom." Of course, this refers to countries other than Western "democracies." Hu Jiewei said: "The political situations of countries of this type are all unstable." He gave no limits on the scope of "unstable factors." Hence, the former has concrete limitations and the scope of unrest is very limited while the latter has an abstract generalization and the scope of "unstable factors" is so great that things such as workers' strike, class strike, and turmoil can be included in this category. This "trick" which has gone beyond comparison is an exposure of the hypocrisy of Mr Hu's "two whichever theorem" and a reflection of his partiality for the Western press freedom. Hu Jiewei exaggerated the good role of the Western press freedom in the stability of a state and artificially reduced the scope of instabilities in Western countries by quietly making a conceptual confusion and using ambiguous language. This makes his "two whichever" theory unable to hold water.

In Chinese, a sentence pattern bearing the head of "whichever" is definite, unexceptional, and regular in meaning. Hu Jiewei asserted: All Western countries which have greater press freedom are relatively stable and the other countries are all unstable. However, the objective world finds it difficult to prove this "whichever" argument. In the United States which has press freedom in the eyes of Hu Jiewei, instabilities have been nothing new in the last decades. It was right when Comrade Xiaoping said: "In handling student strikes and unrest, didn't America mobilize police and troops, arrest people, and shed blood?" Can this be called stability and tranquility? A West European country which cannot be said to have no press freedom has had to change on the average a new government once in no longer than 1 year in 40 postwar years or more. This country which is rated as "the

world's best" is being plagued with many social problems like the mafia which has caused public panic.

In developed countries, how can press freedom be used to show that they are stable? In fact, countries other than Western "democracies" are not all insecure and unstable. The current turmoil and rebellion in our country can on no account negate the 10 years of stability following the adoption of the policy of reform and opening up to the outside world. Otherwise, our country could have not doubled its industrial and agricultural output value in the last decade.

#### Whom Does He Actually Serve?

It was at the critical juncture when some plotters were creating disturbances in a vain attempt to overthrow the Communist Party of China and topple the People's Republic of China that in his special article, Hu Jiewei advocated that press freedom should be regarded as a "valve" to "get our discontent off our chests" and the party and the government should have "political magnanimity" for it. Whom this "outlook on magnanimity" which is seemingly objective serves are very apparent.

In his special article, Hu Jiewei also said: "The authority of leadership formed in the absence of a free press can be nothing but an autocratic authority or at best an authority under which people are forced to keep their resentment to themselves." The objective in his mind in so saying was clear. This argument is no different from the statements and actions of Fang Lizi and his like of "down with the so-and-so autocratic government," with the two coordinating with each other by tacit agreement.

We are for press freedom but do not favor the bourgeois press freedom. We favor and advocate the socialist press freedom under the guidance of the four cardinal principles. Hu Jiewei took great pains to publish his article in SHIH JINGJI DAOBAO on press freedom and stability which in essence preached the Western press freedom, and confused and incited some people to use press freedom indiscriminately, thus helping intensify the turmoil and accelerate its development into a counterrevolutionary rebellion. The lessons drawn from incidents involving blood and fire are extremely profound and bitter. The exposure of Comrade Hu Jiewei's attack and "two whichever" theory may possibly help us really understand press freedom.

#### Article Details Chen Yun's Influence

HK, 20090/21 (The Hong Kong SAR THE CHINA MORNING POST in English 20 Sep 89 p. 2)

[By: Wally Wo-lap Lam]

[Text] Who is the second most powerful man in China? If we go by Deng Xiaoping's recent statements, it could be his designated successor Jiang Zemin.

Or if we go by military clout alone, it has to be President Yang Shangkun.

As executive vice-chairman of the Central Military Commission, General Yang is best placed to succeed the commission's chairman Deng Xiaoping as head of the military, and therefore become China's paramount leader.

However, if we take the broader perspective of ideological and political influence, then it has to be chairman of the Central Advisory Commission (CAC) Chen Yun.

Short of physical stature like Mr Deng, Mr Chen, 84, is as self-effacing as Mr Deng is hard-driving as Mr Chen effectively retired from day-to-day policy making when he resigned as State Council vice-premier in 1980. Yet Mr Chen, who precedes Mr Deng in terms of seniority in party ranks, is universally respected in the CCP for his lack of political ambition, his "Mr Clean" image, and the finicky attention he pays to ideological purity.

The influence of the conservative patriarch is all the more pronounced given the fact that he has been bulldozed for the better part of the past three years.

The last time we heard of him was on May 26, when he presided over a CAC meeting condemning the "counter-revolutionary rebellion." However, he was in such bad shape that Chinese national TV only showed his picture as backdrop to the hardline speech that he delivered.

Mr Chen's mind, however, is coherent. And events since the Tiananmen massacre have provided vindication aplenty for Mr Deng's most formidable competitor.

Mr Chen's protégés now form the most solid power bloc in the six-member Politburo Standing Committee. They include Mr Li Peng, Mr Yao Yilin and Mr Song Ping.

Mr Li, never a favourite of Mr Deng, won the post of prime minister in late 1987 largely thanks to the backing of Mr Chen. Vice-Premier Yao and Organisation Chief Song worked for more than two decades on the State Council's planning organs. Mr Chen's power base.

In terms of ideas, Mr Chen's influence is even more pervasive. China's policies since June 4 have borne the personal imprint of the master economic thinker.

His major thoughts can be summed up by the "bird cage theory." In China, which is a socialist country, economic activities should be strictly guided by central planning; if not, "the bird will fly away."

From the point of view of national work, we must take state planning as the main (concern) and market adjustments as the supplement," Mr Chen said in 1985.

Mr Chen, who was barely on speaking terms with ousted leader Zhao Ziyang, had nothing but disdain for the latter's radical open-door policy. The patriarch is the only senior official who has never visited the special economic zones.

Above all, Mr Chen is opposed to the theory of "high-speed, inflationary growth" endorsed by both Mr Zhao and Mr Deng.

Since the Six, Mr Chen has sponsored the "theory of balance" that supply keeps pace with demand, production matches consumption, and that there should be no budgetary deficit and no foreign exchange imbalances.

Mr Chen's ideas have been reinstated with gusto by protégé Li Peng. In recent talks, Mr Li has stressed that "China will never take the capitalist road." "Public ownership constitutes the foundation of China's economy, with large and medium-sized government-run enterprises as the backbone," the prime minister said.

Mr Chen's other economic beliefs are also gospel truth for the present hardline leaders.

Take agriculture. Mr Chen's dictum—"without sufficient grain production there will be instability"—underlies recent attempts by state bureaucrats to "recentralise" household plots and to discourage farmers from branching out into commercial crops and rural industry.

As head of the Central Commission for Disciplinary Inspection from 1978 to 1987, Mr Chen masterminded the periodic sweeps on economic crimes and on the quasi-capitalistic dealings of Mr Zhao's followers.

"Once the word is out about opening to the outside world and rendering the domestic economy alive, many party, government and military units and cadres as well as their off-spring get into a spree of running business," Mr Chen fumed four years ago.

His fulminations are behind recent attempts to "screen and rectify" China's 200,000 companies and to crack down on profiteering and non-socialist forms of doing business.

Mr Chen's influence is even more overwhelming in the empire of the spirit.

Even in the early 80s, observers detected a Yanan-era obstinacy and a xenophobic streak in Mr Chen's crusade to preserve ideological purity. "In the course of the open-door policy, the decadent thoughts and styles of capitalism will inevitably infiltrate (China) and wreak direct havoc on our socialist enterprise," he said.

"If we neglect the construction of socialist spiritual civilization, our whole enterprise will veer away from Marxism and socialism," he warned.

Since June 4, political indoctrination classes in colleges and factories have been stepped up. The media has been inundated with articles attacking bourgeois liberalisation and praising holier-than-thou Marxist precepts. The communars have certainly done Mr Chen proud.

In the 10 years since the fall of the Gang of Four, the sharpest struggle in the party has been between Mr Deng and Mr Chen.

For the sake of Western aid and rapid economic advancement, Mr Deng has been willing to bank the other way so far as insistence on the Marxist canon is concerned. Mr Chen, on the other hand, believes that economic development according to the detailed facts of the State Planning Commission goes extremely well with the maintenance of ideological purity and of such Maoist values as egalitarianism.

In late 1987, Mr Deng almost won the battle when he packed off to retirement Mr Chen and such other conservative members of the old guard as Mr Peng Zhen and Mr Li Xiangnian.

The pro-democracy movement has changed everything. In order to dump Mr Zhao Ziyang and his liberal faction, Mr Deng had to call upon the support of the party elders, including Mr Chen.

And in his May 26 speech, Mr Chen made an eloquent apology for the old guard's return to active politics.

"At this critical moment, we old cadres must assert ourselves and, together with the whole party, resolutely expose the conspiracy of the minority of people who fabricated turmoil," Mr Chen said.

The wholesale revival of the time-honoured system of "old cadres being the power behind the throne" was seconded by Mr Song Wensong, Mr Chen's sidekick at the CAC.

In a recent meeting, Mr Song noted that "the party constitution has decreed that when the need arises, the Politburo should ask CAC members to take part in deliberations."

Of course, Mr Deng still has the upper hand over Mr Chen. Yet his advantage may be slipping.

In his much-noted talk with U.S. Nobel-laureate physicist Lee Tsung-dao last Saturday, Mr Deng underscored that it was imperative to continue reforms.

"China will do an even better job at the four modernisations program and reform and the open door," Mr Deng said.

However, the shadow of Mr Chen looms large. Mr Deng conceded the importance of "having an adequate speed of development."

As thought making amends for the fact that he himself had endorsed the quasi-capitalistic experiments introduced by Mr Zhao Ziyang, Mr Deng also pointed out that "there is no way that China will forgo socialism."

Despite his political power, Mr Chen is failing physically. Diplomatic sources in Beijing say his life depends on highest-caliber herbs and ginseng. Last year, his health deteriorated to the extent that his funeral committee was on the point of being appointed.

Yet, judging by the events of the last three months, while Mr Deng will likely outlive Mr Chen, the latter may have the last laugh.

### Paper Criticizes Former Reporter

CHU SHENGJIAN's Beijing GUANGMING RIBAO in Chinese 11 Sep 89 pp 1-2

[Article by Kuang Yan (678, 1484): "Dai Qing, the Rebellion Reporter"]

[Text] During the student unrest, upheaval, and counter-revolutionary rebellion which took place in the capital in late spring and early summer, a "capable woman fighter" was active among people, journalists, intellectuals, and college students. She went all out to play an extremely ignominious role by jumping around to establish ties, make outcries to agitate the people, fan up the flames, and added fuel to them. This was Dai Qing [2071 2532], a reporter of the GUANGMING RIBAO.

### I

Those who watched the television documentary "The Test of Blood and Fire" may still remember this scene: On the evening of 14 May, when some college students in Beijing were on the second day of their hunger strike in Tiananmen Square, Yan Jiaqi, Bao Zunxin, Li Honglin, Yu Haocheng, Su Xiaokang, and other intellectual "elite" visited the students to boost their morale. It was Dai Qing who assembled these people. Speaking with the aid of a battery-powered bullhorn, she went all out to incite the students, saying: "The victories you have won at the risk of your lives since 15 April have been enormous. I think they are enormous. Had it not been for your efforts since 15 April, we would never have created this situation." "What sort of a situation was that?" Of course, she referred to the situation of the upheaval, which the wholeheartedly acclaimed. She added: "We must force the government to make one concession!" The kind of concession she wanted was government recognition that the upheaval was a patriotic democratic movement, and of illegal students unions, like the "Gaodian" [Federation of Autonomous Unions of College Students] as demanded in "Our Urgent Proposal in the Face of the Current Situation," concocted by Yan Jiaqi and 11 other people that afternoon. They pointed out that, if the government refused to comply with the two demands, they would "continue to fight firmly and resolutely" along with the hunger strikers. Weren't the real intentions of these people very clear, as demonstrated by these two preconditions, even though Dai Qing also said that she hoped the students would withdraw from Tiananmen Square? Comrade Deng Xiaoping clearly pointed out on 3 March 1987: "The real intention of the small number of intellectuals who incited students to make trouble is to oppose the socialist system and promote bourgeois liberalization. By advocating this so-called bourgeois liberalization, they want to Westernize China completely and push China, on the capitalist course." That was also the intention of Dai Qing.

and other upheaval agitators. The subsequent developments also proved that their "Urgent Proposal" was meant to add fuel to the flames of the upheaval.

If Dai Qing's performance on Tiananmen Square on 14 May could be regarded as a climax, then all her other performances before that were meant to pave the way for that climax.

## II

At a press conference attended by foreign journalists on 16 February this year, Chen Jun, a member of the reactionary organization, the "Federation for Democracy in China," widely distributed a letter from Fang Lishi to Deng Xiaoping, as well as one from Chen Jun and 12 others to the National People's Congress Standing Committee and the CPC Central Committee, calling for amnesty and the release of the serious law offender Wei Jingsheng and other so-called "political prisoners." On 17 February, people living overseas issued in the United States a "Declaration for Democratic Reform on the Chinese Mainland," calling for releasing "political prisoners" and deleting the provisions concerning "counterrevolutionary crimes" in the criminal law. The proposal won all out support from Taiwan's LIEN HO PAO. In an article published on 23 February, the paper said "Like spring thunder roaring on the Chinese mainland, the New York declaration and the Peking open letters have created rolling waves of democracy on the mainland." On 26 February, Zhang Xiansung, Li Honglin, Bao Zunxin, Ge Yang, and 18 other people cosigned a letter to the CPC Central Committee. In that letter, they also called for the release of the so-called "political prisoners."

Under such a climate, Dai Qing, who never wanted to be left alone whenever such occasions arose, could tolerate no more. An open letter dated 14 March, which Dai Qing, Su Wei, and another person initiated, cosigned by 40 other people, said "We think the recent appeal made by a group of Chinese intellectuals calling for the release of Wei Jingsheng and other prisoners is constitutional and reflects the view of the people. Here, we urge the National People's Congress to consider this demand." Please note that this open letter signed by 43 people was made public right after the party and government indicated their solemn stand on the matter and after Comrade Yuan Mu had clearly elaborated on the issue in a statement. In this connection, Dai Qing in April said to a person of the "NINETIES," a reactionary magazine in Hong Kong "We signed our names on 14 March, and we could still remove our signatures when Yuan Mu made the statement, but we did not do so." People can easily see from this confession that Dai Qing wanted a "confrontation." It also shows Dai Qing's basic objective to "influence society and intervene in politics with independent personal characters and independent thinking."

After 15 April, an extremely small number of people seized the opportunity of mourning the death of Hu Yaobang to incite student unrest bent on stirring up a

political turmoil. Some who stubbornly clung to bourgeois liberalization made contacts and organized meetings everywhere. At that point, Dai Qing had become very active. On 19 April, "SHIJI JINGJI DAO BAO" [WORLD ECONOMIC HERALD] (DAO BAO for short) and the "XIN GUANCHA [NEW OBSERVATION]" Journal held a "forum" in Beijing to stir up public sentiment for the "rehabilitation" of Comrade Hu Yaobang and to "reverse the verdict" against bourgeois liberalization. The forum unequivocally voiced its support to the student demonstrations. Naturally, Dai Qing, a person who liked to frequent "saloons" and "forums," was indispensable to the "forum." In her "brilliant" speech at the meeting, Dai Qing, after enumerating the personal experiences and misfortunes of Chen Duxu, Qiu Qubai, Wang Ming, Zhang Wentian, Deng Xiaoping, and Hu Yaobang, said "All these secretaries general of the CPC were unaccountably removed." This statement of hers hinted at "defending" Zhao Ziyang at all costs. This was another footnote to Yan Jiaqi's theory of "change of power out of sequence." After making the above statement, she especially pointed out "Democracy inside your party is so inadequate, is it born that way?" What she meant was that democracy had never existed within the CPC. Then, where could one find democracy? In Dai Qing's mind, the answer was already there. In its February 1982 issue, Hong Kong's "MING BAO" carried an article "Dai Qing on Experiences of Her Inner Self." Introducing Dai Qing, the article says "Dai Qing has a new viewpoint, which is rather astonishing. She thinks that the end of autocracy and the beginning of democracy in China was started by Lin Zexu and Wei Yuankai and completed by Chiang Ching-kuo. What is regrettable is that it takes place in Taiwan first, not in mainland China." Oh, I see! Democracy is found in the Kuomintang in Taiwan. No wonder the person who interviewed her found that her "new viewpoint" was "rather amazing." From the above, one can see what Dai Qing really stands for.

## IV

The talks of Dai Qing, Yan Jiaqi, and others at the forum were no doubt to the liking of Qiu Bingli, chief editor of "DAO BAO." Qiu Bingli decided to publish the full text of talks at the forum in the 439th issue of "DAO BAO," which would be off the press on 24 April. But the responsible comrades of Shanghai municipal party committee, taking the interests of the whole into consideration, suggested that "DAO BAO" delete the parts of talks by Yan Jiaqi, Dai Qing, and others who clung to their bourgeois liberalization position. However, Qiu Bingli stubbornly insisted on publishing the unabridged version. On 26 April, the Shanghai municipal party committee resolutely made a decision to suspend Qiu Bingli from his duties and to reorganize "DAO BAO." The decision was announced at a meeting attended by 10,000 cadres in the afternoon.

During the incident, Dai Qing thrice performed on the stage which fully barred the ugly features of this rebellious reporter. On the afternoon of 26 April, even before the



Shanghai municipal party committee announced its decision to deal with "DAO BAO," she sent a telegram to Qin Fengli which read: "Justice as the foundation, democracy as the way. The establishment of the foundation gives birth to the way. All my best regards to Boss Qin." That was the first telegram of encouragement to Qin Fengli from Beijing. After it was sent, Dai Qing felt she had to do more, and immediately made a telephone call to Chen Ziming, chief editor of "JINGJINUI ZHOUBAO [ECONOMICS WEEKLY]" and a reporter of "ZHONGGUO QINGNIAN BAO [CHINA YOUTH]." In the evening, she again sent a telegram to a "GUANGMING RIBAO" reporter, urging Beijing's journalist circles to cable their support to Qin Fengli. After that, one following another, telegrams and letters of "support" from Beijing were sent to Shanghai and to Qin Fengli in particular. On 27 April, Yan Jiaqi drafted an "open letter" to the Shanghai municipal party committee with a sensational title "Defend the Freedom of Press," charging the committee with making a wrong decision. First, the letter was only signed by Yan Jiaqi and another person. When Dai Qing learned about this, she thought the number of signatories too small to display any strength. Together with Zhang Weiguo, director of "DAO BAO's" Beijing office, she persuaded over 30 others, including Su Shaozhi, Bao Zunxin, Yu Haocheng, and Zhang Xinyang, to put their signatures to the letter. It was then sent to Shanghai and circulated in Beijing. The letters, telegrams, and the "open letter" plotted and organized by Dai Qing and Comrade Zhao Ziyang's support for "DAO BAO" echoed each other, top to bottom. These people, in collaboration with others inside the "DAO BAO" itself, succeeded in expanding the unrest to the whole society.

## V

This shows the great efforts Dai Qing exerted during the "DAO BAO" incident; but, if we think the incident had direct connections with her speeches, then we might have underestimated her capacity. In fact, Dai Qing had profound ties with the paper, and the mutual understanding between her and Qin Fengli was profound and subtle. If Dai Qing's articles could not be published by other newspapers or journals, they could be published by "DAO BAO" freely. In Dai Qing's eyes, "DAO BAO" was a newspaper allowing the greatest "freedom of the press." Dai Qing maintained that China "has no news." She once complained to an overseas reporter: "How many news reports could be written about the numerous events occurring in China during the period between 1982 and 1988? But I can't write those stories, neither can you. Nobody can." Just what sort of "freedom of the press" did she want? An answer can be found from an article "DA J., AO" published on 3 April this year. The article says: "Instead of emphasizing 'positiveness' or 'negativity' in news reporting, journalism in the West emphasizes 'newsworthiness,' namely things which are new and extraordinary. This shows that Dai Qing and 'DAO BAO' were tightly bound together by the journalistic philosophy of the bourgeoisie."

## VI

Still unsatisfied with her involvement with "DAO BAO," Dai Qing went on to invent new tricks. When one person at a meeting on 29 April proposed that "people within the press circle should also have dialogue with the leading authorities," Dai Qing was exhilarated and immediately introduced that person to Zhang Weiguo. Then, these three promptly got together to "discuss a list of names of participants from the press circle." According to Dai, the participants should be news workers, whose positions should be below that of a newspaper's departmental director. In Dai Qing's view, cadres with ranks higher than a newspaper's departmental director could not represent people within the press circle. That was how some people within the press circle demanding a "dialogue" started. After deliberations and signature solicitation, some within the press circle came up with an open letter on 9 May demanding a dialogue, and the letter was also delivered to journalists' associations throughout the country. Dai Qing, of course, was one of the signatories. This incident and news workers' participation in the parades on the capital on 4 May were described by bourgeois newspapers and magazines abroad as the "waves of protest lodged by the press circle" in China. An article entitled "The Press System Faces a Great Challenge" published by Hong Kong's "ANIAN WEEK" on 21 May says: "GUANGMING RIBAO reporter Dai Qing told ANIAN WEEK that newswriters' actions were triggered by the student movements in recent months. Mainland reporters' factual reports on major events could hardly appear in newspapers, their feelings have been pent up for a long time, the student movement and the suspension of SHIHE JINGJI DAIBAO chief editor Qin Fengli became a fuse which ignited the reporters' parades." It is not difficult to see that Dai Qing was encouraging reporters to take to the streets.

## VII

After being active in inciting the press circle for some time, Dai Qing, who jumped around during the upheaval, started to leap toward the intellectuals and the students.

On 26 April, RENMIN RIBAO carried an editorial entitled "We Must Take a Clear-Cut Stand in Opposing Turmoil," pointing out that the turmoil was essentially one attempting to thoroughly discredit the leadership of the Chinese Communist Party and the socialist system. In a statement to a reporter of Hong Kong's TIN TIN YAT PO the same day, Dai Qing said she was greatly disappointed with the editorial. The reporter writes: Dai Qing maintains that "even though the CPC's stand is tough this time, the students still should uphold their political ideals." She also adds that she would help the students if they need her assistance.

Sure enough, on 27 April, she went to the gate of Beijing University and the Chinese People's University to "catch" the student demonstrations and find out which

way the wind blew. There she met a U.S. "TIME" weekly reporter and said to him: "If the government suppresses the students today, I shall quit the party." That was probably what she meant by "aid."

Of course, Dai Qing's "aid" did not stop there.

On 7 May, Hong Kong's "MINBAO" published a "special dispatch from our Beijing-based reporter" which said: "An appeal, marking the 70th anniversary of the 'May 4th Movement,' jointly signed by noted Chinese intellectuals, with Yu Haocheng, Li Honglin, Yan Jiaqi, and Xu Yingliang heading the list, calls on the CPC authorities to persevere in reforms, and expresses support for the current student movement in mainland China by calling it a very worthy cause." The "special dispatch" transmitted the text of the appeal. Among those who put their signatures to the appeal and below those of Li Honglin, Yu Haocheng, Yan Jiaqi, Xu Yingliang, and Zhang Xianyang, was Dai Qing. Thus, she suddenly became a "noted Chinese intellectual."

On 5 May, Dai Qing delivered a speech at the Chinese People's University. She said: "I feel that 27 April 1989, like 1 October 1949, 6 June 1966, and 5 April 1976 before it, is a most important day in the history of the PRC, because everyone has accomplished something important in the history of the PRC (applause, cheers). Don't you know that, beginning 27 April 1989, the authoritarian rule which has reigned over China for over 1,000 years, is coming to an end (applause, cheers). Here, Dai Qing committed a "mistake." She forgot that June 1966 marked the beginning of the "Cultural Revolution" by mentioning it in the same breath as 27 April 1989 which precisely condemned the student unrest as a riot. In that speech, she also said: "Around the beginning of this year, the Chinese Youth Political University published a 'study of youth.' At that time, I did not know you could be so brave as you are today. But, in a article I wrote at that time entitled 'China's College Students and the Student Movement,' the first sentence I wrote was 'college students are always right' (Applause). But, most regrettably, the article has not been published to date." From the above, one can see that Dai Qing always had the intention to "aid" the students and support the turmoil. Her speech was a confession without duress.

At a meeting on 13 May, Dai Qing asked whether it would be feasible to hold a forum wherein well-known personages could talk about their views regarding the current situation. The proposal was approved by a responsible comrades then in charge of the CPC Central Committee's propaganda and ideological work. On 14 May, Dai Qing invited some old friends of hers to a "forum" and dished out an "emergency appeal." Immediately afterwards, she went to Tiananmen Square to announce the appeal and delivered an inciting speech. That was the scene of the act mentioned at the very beginning of this article.

After the appeal was reported by GUANGMING JIBAO and the central television station, the number of

students taking to the streets or participating in the hunger strike grew bigger and bigger with each passing day, and the situation made it impossible for the hunger strikers to back down. That was the result of Dai Qing's so-called "aid" to the students.

It must be pointed out that, on a number of occasions, Dai Qing also tried to persuade the students to return to the campuses, end their hunger strike, and leave Tiananmen Square. Because it looked as if she was taking an unbiased position, she did appeal to some people. Her real purposes were, in truth, hidden from the public. In her speech to the students in Tiananmen Square on 14 May, she said: "Attack when an attack is called for" and "withdraw when withdraw is a must." The real meaning of her speech was "withdrawing" for the purpose of "attacking again." In an interview by a Japanese "YOMIURI SHIMBUN" reporter on 15 May, she more clearly expressed this intention. She said: "The students have good qualities, which are manifested in their political sensibility, a keen sense of political responsibility, patriotic fervor, the spirit of sacrifice, and organizational ability. But they are inexperienced in political struggle in a modern society. They do not know that each individual has his or her own role. For instance, if I am playing the leading role, I must withdraw from the stage and let those playing support roles take the stage when my performance has reached a climax. When needed, I may take the stage again." All right, but after the students had withdrawn, who was going to take their place? Dai Qing gave her answer on 18 May. She telephoned a "friend," suggesting that the intellectuals go on a hunger strike so that the students might resume feeding. You see, she wanted to exchange her supporting role for a leading one.

## VIII

In order to stop the turmoil, the State Council on 24 May announced the enforcement of martial law in some parts of Beijing. Dai Qing expressed great disappointment. She felt dejected, and said that she "would never participate in any movement again."

Is it true that she "would never participate in any movement again"? Please see what she did afterwards.

On 22 and 23 May, she interviewed seven students who participated in the hunger strike in Tiananmen Square and their parents at home.

On 24 May, she took part in the mass demonstration in Beijing, holding high a streamer on which the words "Intellectuals of the capital" were written. She let a group of reporters to have her picture taken.

On 30 May, she was interviewed by the radio television and the Jade TV network, as well as the Hong Kong Commercial Broadcast Station and the Radio Broadcasting Station in Hong Kong.

On 31 May, she was interviewed by the U.S. newspaper CHRISTIAN SCIENCE MONITOR.

We would like to point out that, during the 50-day political upheaval, Dai Qing maintained frequent ties with the British, U.S., Japanese, and Hong Kong newspapers and radio and television stations. She was interviewed, and talked to the reporters. She greatly distorted and did a great deal of propaganda work for the student unrest and the turmoil at home either through her conversations with others or through international telephone calls. Within a short period, she became a "movie star" chased by many foreign reporters and an important source of their false information on China's upheaval.

The counterrevolutionary riot in Beijing was quelled on 4 June. Dai Qing said that "she was filled with grief and indignation." She planned to organize a group of intellectuals to "sign a joint statement to protest against the suppression of the students by the government." However, she did not succeed. It was at that time that she was interviewed through a long-distance telephone call by radio stations in Hong Kong, Tokyo, and other localities, during which she said that she was "determined to withdraw from the Communist Party of China." Finally on 5 June, she submitted to the local party branch an application to withdraw from the party, demonstrating her strength to the Communist Party.

That was what Dai Qing meant by saying that she "would never participate in any movement again."

### IX

Dai Qing's various activities in the turmoil and counter-revolutionary riot in Beijing are not accidental. They have their deep-rooted, ideological source. They are the inevitable result of her stand in advocating bourgeois liberalization over a protracted period of time.

Dai Qing has written novels since 1978. She gained some fame by publishing a novel called "Awake," describing the life of intellectuals who are husband and wife but need to work in different localities because of job requirements. Thus, she gained a foothold in the field of literature and art. Later, she was transferred to the GUANGMING RIBAO to work as a reporter, thus entering the field of journalism. After becoming a reporter, she said that "she would not work regular office hours. Nor would she cover official meetings. She would not become a reporter who only covers the routine news." She was only interested in interviewing those characters who have stubbornly advocated bourgeois liberalization. After 1986, she made use of her chance in running the special column "Questions and Answers From Scholars" in the GUANGMING RIBAO, to relay and spread the concepts of Fang Lizhi, Yan Jiaqi, and Jin Guantao. She also maintained close ties with these people. Discussing her experience in covering news with a Hong Kong magazine reporter, she repeatedly said "I benefited from my efforts to suppress my feelings for a long time. Therefore, when they met a person like me, we had feelings for, and understood, each other well." On the basis of such feelings she and these so-called "elite"

personages became bosom friends. When the struggle against bourgeois liberalization was hampered by Comrade Zhao Ziyang in 1987, Dai Qing was greatly elated. Unable to suppress her feelings and sentiments, she started to write articles aimed at reversing previous verdicts. Totally ignoring her party membership, she always "directed the spearhead of her articles at things she was supposed to defend" ("Dai Qing on her State of Mind" carried in the February issue of Hong Kong's MING PAO). In publishing her article, entitled "Chu Anping and the Rule of the Party", a certain Hong Kong magazine added a long editor's note. This editor's note said: "Ms Dai Qing has worked consistently and unremittingly and written another investigative report for our magazine following her article 'Wang Shouze and Wild Lily.' This report portrayed the deplorable fate of another intellectual—Chu Anping—including his ill fate under the rule of the Communist Party of China. The fact that his label as a rightist has not been removed even now, means that, even if there were no 'cultural revolution' in China, and even if the country was not harassed by that evil ultraleftist 'gang of four,' the group of personages of various democratic parties, including Chu Anping, could still not dodge the fate of being branded as rightists." The direction of the spearhead of Dai Qing's article has been clearly shown by this editor's note. It was precisely because of this that Dai Qing was hailed and praised by the so-called "elite" and people who "cherish the same ideals and follow the same path" with her as a "famous news reporter" and "famous writer."

She found favor in the eyes of those who advocated "peaceful evolution" in China. Becoming self-complacent, she regularly associated with the "elite" and overseas "scholars" and "reporters," and busily came in and went out of "political gatherings" and "political salons" as if she were "elite" herself.

Actually, how could Dai Qing be an elite of China's intelligentsia? She is nothing but a pawn of the reactionary forces at home and abroad, who are trying to turn China into a bourgeois republic. Dai Qing was a member of the rebellious group during the "Cultural Revolution." Her name was Fu Ning (0265 0413). After the "Cultural Revolution," she changed her name to Dai Qing. However, although she changed her name, her thoughts remained unchanged. Only she changed from an ultraleftist to an ultrarightist. Whenever there is a chance, she and her partners will emerge and stir up trouble. However, they will never be able to achieve their goal. The fact that the Chinese people have promptly quelled the counterrevolutionary riot in Beijing has completely shattered their fond dream.

### Guangming's Lin Biao Intervened on Reform

HK 140914 1589 Beijing RENMIN RIBAO in Chinese  
11 Sep 89 p 4

[Article by Liang Zhaoming (2733 0340) 2494]: "Guangdong Goes One Step Ahead of Others in Carrying out Reform and Opening up. Its Economic Development Has



Entered a 'Golden Age'—An Interview With Lin Ruo, Secretary of Guangdong Provincial CPC Committee"]

[Text] What were the changes in the last 10 years in Guangdong Province, which used to go one step ahead of others in carrying out reform and opening up? To obtain an answer, the reporter has recently had an interview with Lin Ruo, secretary of the Guangdong Provincial CPC Committee.

Guangdong is situated on the frontier of national defense. Before 1978, economic growth had been relatively slow, and was lower than average development speed in the country for 13 consecutive years. When the reporter talked about the past, Comrade Lin Ruo said happily: In the 10 years of reform and opening up, the party organs at various levels in Guangdong led the great masses of people to staunchly implement the party's lines, principles and policies formulated since the 3d Plenum of the 11th CPC Central Committee, and have resolutely carried out the "special policies and flexible measures" granted by the central authorities to vigorously develop the socialist planned commodity economy; the economy in the whole province has entered an unprecedented prosperous "golden age."

The reporter has learned that under the condition of reform and opening up, Guangdong relied mainly on raising funds by itself, to enable the economy to develop quickly. Over the past 10 years, the state-owned units in the province increased their fixed assets to 66.9 billion yuan, 3.6 times the sum in the last 29 years. New forces for industrial production were thus formed, and over half of the old enterprises were enabled to transform and renew their technologies. Economic strength had increased, and the economic growth had been steady and continued in these 10 years. On the average each year, total social production output value in the province increased by 15.2 percent, total national production output value increased by 12.9 percent, national income increased by 12.2 percent, and revenue income increased by 10.5 percent. With this speed of steady and continued growth which was higher than that of the "four small dragons in Asia" during their take-off periods in the 1960's and 1970's, Guangdong not only changed its condition of being backward for a long time compared to the average standard in the country, but also made more and more contributions to the country.

"The economic development in Guangdong resulted from the fact that party committees and governments at various levels in the province led the great masses of party members, cadres, and people to resolutely implement the special policies and flexible measures granted by the central authorities, and from going one step ahead in carrying out reform and opening up." Talking about this, Comrade Lin Ruo pointed out that the strongest points in Guangdong and its biggest characteristics were that Guangdong "is situated on the sub-tropical area, near Hong Kong and Macao, and has many overseas Chinese." But before the 3d plenum of the 11th CPC Central Committee was convened, under the condition

of "shutting the door and sealing the nation," these strong points could not be brought into full play. After the 3d plenum of the 11th CPC Central Committee was convened, the CPC Central Committee approved that Guangdong could carry out special policies and practice flexible measures on economic relations with foreign countries, enabling Guangdong to combine the policies granted by the central authorities with Guangdong's geographical, human, and cultural strong points, to promptly utilize the chances of international economic readjustment to enhance economic development in the whole society.

During this 10-year period, through the "three kinds of import processing and compensation trade" and large-scale utilization of foreign capital by the method of joint venture and cooperation, Guangdong has introduced advanced technologies and facilities, and achieved gratifying results. Some people who do not understand the situation think that Guangdong became prosperous by relying on "eating in the small kitchen" and on improper ways of running business, but that is a mean-spirited view. While Guangdong executes the "special policies and flexible measures," it has never infringed upon the state's finance, but made more contributions to the country.

In the 10-year period, Guangdong, other than going a step ahead of others in carrying out reform and opening up, and exploring a way for the country, as well as made contributions to playing a radiating function of introducing things foreign and establishing ties for places inside the country, also increased its revenues to the central authorities because it increased various channels of incomes as a result of economic development. Over the past 10 years, the total amount of finance which Guangdong handed over to the central authorities increased by almost 200 percent (calculated in terms of same factors), and the increase in net amount of finance handed over to the central authorities was bigger than the increase in local finance. In addition, the tariff acquired by the central authorities at the ports of Guangdong in close connection to the reform and opening up policies carried out by Guangdong increased by 20 times or more, and the profits handed over to the central authorities by the bank system increased from several hundred millions of yuan to over 3 billion yuan. During the past 10 years, the province absorbed a total of 34 million laborers from other province/s, and from whom the province earned 8 billion yuan.

Talking about Guangdong's contributions to the country, Comrade Lin Ruo emphasized repeatedly: Guangdong is China's Guangdong, and its achievements acquired by going a step ahead of others were the results of great cooperation in the whole country. Now Guangdong has developed, and certainly it should make more contributions to the country. The 10 years of changes in Guangdong have adequately proved that the party's lines, principles, and policies formulated since the 3d Plenum of the 11th CPC Central Committee are correct.



Although there are still various shortcomings in Guangdong, and many difficulties are expected in the future, the basic practice in Guangdong has been successful. The reform and opening up have better developed the strong points of socialism, enabled the people to gain concrete benefits, educated them, and let them perceive the hope in the future, so that they have supported the party and socialism more than ever before. Therefore, since the reform and opening up, Guangdong has had a comparatively stable environment. Even at the time when a small group of people utilized the student movement to stir up the turmoil and develop the counterrevolutionary rebellion in Beijing, the great masses of party members, cadres, and people in Guangdong could still distinguish the right from wrong, and self-consciously resist the antiparty and antisocialism bourgeois liberalization thought, as well as resolutely oppose unrest and safeguard Guangdong's stability and unity.

When it was time to say goodbye, Comrade Lin Ruo said with confidence: "Reflecting on the past, and looking at the future, we have confidence to carry out the reform, opening up, and construction in a much better and stable way. We must closely unite ourselves with the CPC Central Committee, resolutely implement the spirit of the 4th Plenum of the 13th CPC Central Committee, uphold the four cardinal principles, reform, and opening up, and better run the comprehensive experiment of reform in Guangdong."

#### Arts Company Punished for Profiteering

OH 2209/2500v Beijing XINHUA in English  
1242 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—The China Arts and Crafts Corporation under the Ministry of Light Industry was recently penalized for misconduct by its managers over the past seven years.

He Yong, vice-minister of supervision, said at a press conference that the State Council has decided to confiscate all its illegal income of 22 million yuan and fine the company one million yuan.

The State Council has also ordered the Ministry of Light Industry to punish those responsible for the corporation's illegal activities according to administrative regulations and party discipline.

According to He, a deputy general manager of the corporation has been removed from his post and two retired managers of the corporation have also received punishment within the party.

The corporation is a state company in charge of the industry's production planning, supply of materials and export business.

He said that from 1981 to 1988 the corporation engaged in import business without approval and profited in chemicals and engaged in other illegal activities.

## Military

### Media Stress Modernization Reports

HK 21000/1500v Hong Kong MOU TH CHINA  
MORNING PENT in English 21 Sep 89 p 12

[By David Chen]

[Text] The official Chinese media have lately been publishing articles detailing the progress in modernizing the Armed Forces, with special emphasis on major exercises by the Navy, airborne units, tropical jungle operations and the production of modern weapons, including sea-to-air missiles.

The large number of articles surprised many observers. One explanation they offered was that the reports were designed to give the military's image a facelift following the June 4 military crackdown.

Another suggestion was that the articles were meant to be a message to the United States and other Western countries which have imposed an arms sales ban on China.

A third explanation was that China continues to have large stockpiles of advanced weaponry for sale. China is the world's number five exporter of arms, according to Western military experts. Lately, however, several military exhibitions have failed to attract buyers.

However, yet another suggestion has lately been advanced. Many of the articles noted the prowess of the naval and air forces, as well as airborne units.

This, said an observer, may indicate that China is prepared to undertake a military operation. The situation was similar to that of a year ago when the Chinese Navy engaged in a brief but intensive battle with the Vietnamese and "recovered" an island in the Spratlys taken earlier by the Vietnamese.

And lately, there have been reports that the Vietnamese have established an observation post on yet another island in the Spratlys.

In one of the reports on the military achievements, the China News Service [CNS] said that China would soon introduce new domestically produced weapons ranging from strategic missiles to automatic rifles and tanks.

Citing information from the State Commission of Science and Technology for National Defense, CNS said other weaponry included ship-to-air missiles, helicopter gunships, jet fighters, bombers, machine-guns and cannons.

Another CNS report described the strength of the naval air force which has developed into an effective fighting arm "to safeguard the 16,000 kilometres of offshore territories."

A CNS report spoke of a joint exercise in the Pacific lasting four months by units of the East China Sea Fleet.

The objective of the exercise was to test the cohesiveness in co-operation under highly complicated and hostile conditions.

The exercise, it said, was also targeted at developing the advantages that submarines possess in future naval battles, particularly among atoll-dotted regions.

Yet another article described the effectiveness of airborne units and an exercise on the jungles of Yunnan testing the survival tactics of paratroops.

Several governments, among them the Group of Seven industrialised democracies and the European Community, ordered an arms embargo and a suspension of military co-operation after June 4.

#### **Army Building Seminar Held in Beijing 20 Sep**

*OH 210913Z Sep Beijing Television Service  
in Mandarin 1400 GMT 20 Sep 89*

[Announcer-read video report, from the "Night News" program]

[Text] [Video shows shots of a large meeting room, with about 100 to 200 participants in military uniform seated in rows of tables, and a dozen or so unidentified officers seated at the main table in the front facing the participants]

A seminar on Army building, sponsored by the Academy of Military Sciences in celebration of the 40th founding anniversary of the PRC, was held in Beijing today [20 September].

Experts from all major Army units concluded: Our Army has scored remarkable achievements and accumulated rich experience in Army building over the past 4 decades. Especially since the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has applied the Marxist tenets in solving a number of major questions on Army building in the new historical era, and enriched and developed Mao Zedong's military thought. The Army withstood another test in quelling the counterrevolutionary rebellion in Beijing.

The seminar participants held that although global military confrontation has somewhat been relaxed, the struggle between proponents and opponents of peaceful evolution remains acute. Therefore, Army building should be strengthened, not weakened. In the construction of regular troops, it is necessary to uphold the party's absolute leadership over the Army, to correctly understand the Army's functions in domestic and international affairs, and intensify the Army's regularization and modernization.

#### **Yang Shangkun Prefers Bank on Defense Industry**

*CPR 2009105000 Beijing XINHUA Domestic Service  
in Chinese 1504 GMT 19 Sep 89*

[\*Local Broadcast News Service\*]

[Text] Beijing, 19 Sep (XINHUA)—On the eve of jubilant nationwide celebrations of the 40th founding anniversary of the PRC, Yang Shangkun wrote a preface for the book entitled "Retrospect and Prospect—National Defense Science, Technology and Industry of New China," saying that our country and our Army hold great promise, as does our national defense science, technology and industry.

The preface says: The national defense science, technology and industry advanced along the path of maintaining self-reliance and waging hard struggle, overcame the difficulties resulting from economic and technological backwardness of China, and scored achievements that are the pride of the Chinese nation in the past 40 years under the leadership of the party Central Committee, the State Council, the Central Military Commission, and with the enthusiastic and close cooperation of all departments concerned throughout China. These achievements greatly increased China's national defense capability, demonstrated the prowess of our nation and Army, and enhanced our international prestige. Today, as the socialist modernization drive forges ahead, especially since the quelling of the counterrevolutionary rebellion, we should give some sober thoughts to the past and the future. I think we should stress that the achievements scored by the older generation through hard struggle should not be forgotten, the noble spirit and fine traditions should not be discarded, but should be passed down from generation to generation, and further developed, and past experiences should be combined with the new situation, summed up, and used more effectively.

#### **Article Discusses National Defense Education**

*HA 2009040200 Beijing RENMIN RIBAO in Chinese  
15 Sep 89 p 5*

[Article by Zheng Nuanqun (6774 1819 5028): "Thoughts on Education in National Defense After the Quelling of the Rebellion"]

[Text] The storm between spring and summer this year first told us that we must be soberly aware of the existence of class struggle. Meanwhile, we should also notice that the consequences of the errors in our education, including national defense education.

#### **Comprehensively and Accurately Group the Scientific Contents of National Defense and National Defense Education**

According to the viewpoint of Marxism, national defense consists of all military measures and all necessary political, economic, diplomatic, technological, and cultural measures related to the military measures for defending sovereignty, territorial integrity, and security of an independent country and for resisting foreign aggression and subversion. It is too narrow and one-sided to construe national defense merely as Army construction. National defense is a scientific system and an important component part of the entire social activities. Being different from the narrow sense of national

defense, this (wide sense of national defense links national defense to the development of comprehensive national strength. If national defense is regarded merely as a duty of the Army, then national defense may be taken as an "extra burden" which has no relation with the building of the two civilizations.

The scientific system of national defense determines the scientific scope of national defense education. All citizens in the people's republic must receive this education. The contents of national defense education should include every aspect of national defense construction, such as the relationship between state and national defense, the historical and present conditions of national defense in our country, the relationship between economic construction and national defense construction, national defense modernization in our country, the characteristics of future wars, the steps of war mobilization, and the construction of a reserve force for national defense. National defense education should be conducted regularly, frequently, and permanently and should not be merely embellished with a few articles for the festive occasions. National defense education serves far-reaching strategic purposes, and should not be considered as merely a means of mobilization for supporting the troops and helping the soldiers' families.

In our national defense education, we should give all-around explanation to the functions of the Army. The constitution stipulates that the Armed Forces in our country perform the function of resisting foreign aggression and also perform the function of safeguarding the people's peaceful labor and quelling traitorous and counter-revolutionary activities. However, some people thought that it was unreasonable for the troops to carry out the martial law task and tried by every possible means to prevent the troops from enforcing martial law. This was related to our failure to conduct constant and all-around national defense education.

#### **The Center of National Defense Education Is Patriotic Education**

The final purpose of national defense education is to cultivate a patriotic idea in the minds of the people. From ancient to modern times, in the complex moral norms of all nations, patriotism is always regarded as the highest moral standard. Whether a person is patriotic is the criterion for testing his sense of honor and shame. Now, our national defense education is to cultivate a patriotic spirit among the people so that they will have a strong sense of national pride and will strongly love the communist party, love the socialist motherland, and love the People's Liberation Army which is the pillar of the people's democratic dictatorship. This is the center of our national defense education. Our patriotism means that we love the socialist motherland led by the CPC. China's revolution and construction can only be led by the Communist Party and can only advance along the socialist course. This is determined by the law governing historical development. Our patriotic feelings are linked

with the sense of responsibility for defending the motherland. This is a lofty thought. The national centripetal and rallying force aroused through national defense education will be our nation's huge spiritual wealth. Successful national defense education will raise the people's moral standards and scientific and cultural attainments. This will not only positively promote the activities of supporting the Army, but will also play a positive role in promoting economic construction and maintaining the stable and united situation. This is also an important mental pillar for our nation.

The sense of national defense is an important component part of people's outlook on the world. Only people cherishing the materialist outlook on history can really establish a socialist patriotic idea. Facts show that in localities where national defense education is successful, the people have a high degree of patriotic enthusiasm and they trust the party, love socialism, and show great loving care for their own army. However, the advocates of bourgeois liberalization propagated political pluralism and economic privatization. They gave no consideration to the interests of the state and the nation at all.

#### **Pay Attention to the Knowledge and Practice Related to National Defense Education**

The forming of the sense of national defense among the people will, to a large degree, rely on the systematic dissemination of relevant knowledge. In the years of war, the bloody massacres of the imperialists awakened the people's consciousness and made them deeply feel that "the Chinese nation is facing its greatest danger." In peacetime, people are apt to dilute the sense of national defense. In these circumstances, vague and general theory will have little efficacy, and "the stimulation of certain cases" can hardly be effective. Practice shows that we must constantly and widely disseminate national defense knowledge in order to establish an enlarged sense of national defense. The contents of knowledge related to national defense are extensive and cover many fields. They include ancient, modern, Chinese, foreign, military, and political things. The education should be suited to people's educational background, work conditions, understanding capacity, and psychological quality. Different methods can be used under different conditions, and the forms of propaganda and education should be able to arouse people's interest. Basic knowledge should be imparted to young people and children, and the contents of national defense education should be included in primary school textbooks.

The knowledge about national defense is not only a branch of theoretical knowledge but also some very practical knowledge about the struggle in reality. It is closely linked with the realities in all aspects of the world. Since the end of World War II, local wars and regional armed conflicts have never ceased, and efforts for increasing the force to check the war must be made continuously. So national defense education should not

only be the imparting of historical and theoretical knowledge in a static condition, but should also be linked with the education in the dynamic situation in the class struggle at home and abroad. Such education should guide people's attention to the current situation in the international political, economic, and military struggles and should make people aware of the changes in the international strategic situation and the changes in various political forces. That is, our national defense education should be linked with the major international environment, thus having a strong immediate significance.

The knowledge about national defense comes from the rich social practice. National defense construction, national defense industry, the production of strategic materials, the development of science and technology related to national defense, the condition of transport facilities for national defense, and the quality of soldiers are all continuously developing in the course of social practice. Therefore, our national defense education should be combined with social practice. For example, students should be organized to receive military training, people should be organized to participate in the activities of supporting the Army and helping soldiers' families, local people can be organized to protect military facilities, military training can be given to the militia, and military exhibitions and national defense knowledge contests can be held. Only through concrete social practice can the people actually link their lives with national defense.

### **Economic & Agricultural**

#### **RENMIN RIBAO Editorial Reaffirms Policies**

HK 2208015 189 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Sep 89 p 1

[Editorial: "There Will Be No Change in the General Principle of Reform and Opening up"]

[Text] Will there be any major change in China's major guidelines and basic trends following the quelling of the counterrevolutionary rebellion in Beijing? The people of the whole country are extremely concerned about this, while there has been a wide variety of international conjectures. The crux of the discussion is, will the general principle of reform and opening up change? This discussion has still not died down, hence it is necessary to expound our views on this issue.

Comrade Deng Xiaoping distinctly pointed out when receiving cadres at and above army level of martial law units in Beijing that there was nothing erroneous in the "one focus and two basic points" summarized by the 13th Party Congress. It is essential to unwaveringly continue to act accordingly. We should make "our pace of reform and opening up still steadier, still better, and even still faster." The 4th Plenary Session of the 13th CPC Central Committee also solemnly proclaimed: "The four cardinal principles are the foundation for

building the country and must be adhered to unwaveringly and unwaveringly; reform and opening up represent the way to build a strong country, and must be unwaveringly and continually implemented; we must certainly not go back to the old road of closing the country's doors to the world." In the past 3 months and more, this stand has been repeatedly reiterated in many speeches of party and state leaders and in all our country's external activities.

To say that there will be no change in the general principle of reform and opening up is determined by the factors of the two basic points. First of all, practicing the general principle of reform and opening up is the inevitable trend of China's socialist development and represents the objective demand of further liberating the productive forces and developing them. The socialist system is the most advanced social system in the whole of human history up to now. However, unless we break down the closed door situation and reform ossified patterns, we will be unable to rapidly develop the productive forces and give full scope to the superiority of the socialist system. Today, when the world's economy, science, and technology are developing rapidly, China can hardly hold its place in the world unless it reforms and opens up. Second, this objective demand is already recognized by the great majority of our people. After the 3d Plenary Session of the 11th CPC Central Committee, as soon as we embarked on reform and opening up, the development of the economy, the increase in the national strength, the improvement in people's living standards, and the progress in various other aspects were all much faster than before. History is the best teacher. Comparing today with the past, people really believe that reform and opening up constitute the only way for the Chinese nation to become prosperous and strong. If it is acknowledged that the idea that "China must reform and open up" was only understood by a few people around the time of the 3d Plenary Session of the 11th CPC Central Committee, then, as a result of the education from 10 years of practice, the idea that "China must reform and open up" has become the common understanding of the country's 1.1 billion people and turned into the masses' common practice and demand. Reform and opening up are in tune with the tide of the times and the needs of the masses, and are not something that can be changed just because someone wants to change them. In order to achieve a comfortably well-off living standard by the end of the century, to reach the level of medium developed countries by the middle of the next century, and to try hard to catch up amid the fierce international competition, we must be still more bold in carrying out reforms and opening up. Stressing that we must continue to unwaveringly practice the general principle of reform and opening up precisely reflects the objective laws of social development and the fundamental interests of the masses.

"At present great stress is being laid on adhering to the four cardinal principles and opposing bourgeois liberalization, and the atmosphere of reform and opening up is



lacking, so how can we ensure that the principle of reform and opening up will not be changed?" This is an important reason why certain people at home and abroad have become dubious over our pursuit of reforms and opening up. Actually this is a very big misunderstanding. The four cardinal principles and reform and opening up permeate and depend on each other and are unified in the practice of building socialism with Chinese characteristics. The reform and opening up we speak of are reform and opening up on the basis of adhering to the four cardinal principles. However, in the past few years certain people have looked at reform and opening up from the viewpoint of bourgeois liberalization and opposed adhering to the four cardinal principles. The "reforms" they speak of actually mean changing to the capitalist road; the "opening up" they speak of actually means turning China into an appendage of imperialism. This so-called "reform and opening up" is completely different from the reform and opening up that we speak of. It is evident that there are two fundamentally different lines of thought and two diametrically opposed views on the issue of reform and opening up. From the angle of our line of thought and viewpoint, both the four things to be adhered to and reform and opening up are indispensable, and neither of these two aspects should be weakened. In view of the fact that we have not made sufficient efforts in adhering to the four things and opposing bourgeois liberalization in recent years, it is very essential to stress that this must be seriously grasped and persevered in. This can only lay a still sounder foundation and provide a still more effective guarantee for reform and opening up, and will certainly not hamper reform and opening up.

"Is it not a fact that great stress is being laid now on guarding against peaceful evolution?" How then can we talk about opening up to the world?" This is confusing two issues. It is quite true that we must remain alert against the conspiracy of hostile external forces to bring about peaceful evolution in China, and continually see through and smash their vicious attempts in this respect. At the same time, we must continue, as before, to develop relations with all countries and regions on the basis of the five principles of peaceful coexistence; we must continue to practice the open policy, to bring foreign capital, technology, advanced management experiences and so on into China for our own use, so as to speed up our country's modernization. We will be unwavering in this respect. We must certainly not stop eating for fear of choking. Adhering to the basic economic and political system that has been laid down and seeking rapid development of our economy, science and technology, and culture represent two aspects of one thing. We resolutely oppose the efforts of certain foreign political forces to bring about peaceful evolution in China, and we warmly welcome past, present, and future efforts by foreign countries and many entrepreneurs to do business in China and engage in cultural, scientific, and technological exchanges with us, and we are willing to promote such exchanges on the basis of equality and mutual benefit. In opposing one thing and welcoming the

other, our aim is to promote China's stability, development, and prosperity. The facts of the development from turmoil to rebellion show that if we abandon vigilance against the peaceful evolution conspiracy, this is bound to interfere in and sabotage opening up to the world, and if the work of guarding against peaceful evolution and carrying out education in this respect is done well, opening up to the world will certainly develop healthily along the correct road.

There are also some comrades who hold that the reason why phenomena of corruption, the rampant spread of the ideological trend of bourgeois liberalization, and turmoil and counterrevolutionary rebellion appeared is because reform and opening up were grasped too vigorously and carried out a bit too fast, and so they hope that the pace of reform and opening up will be slowed down somewhat. Such ways of thinking are incorrect. Viewing the two aspects of reform and opening up on the one hand and cracking down on economic crime and carrying out ideological and political work on the other, it is a fact that one aspect has been grasped rather vigorously and the other rather softly in recent years. However this is only a relative way of stating things, and certainly does not mean that we have already done enough in reform and opening up.

We should say that we have not done enough in reform and opening up. For instance, in economic structural reform, the old closed and ossified setup has not yet been completely destroyed, while a new mechanism of socialist commodity economy brimming with energy and vitality has not yet formed. In political structural reforms, what we have done is only a start. We still have to make long-term and arduous efforts in building socialist democratic politics, and the tasks proposed by the 13th Party Congress still need to be gradually fulfilled. In opening up to the world, although in recent years we have imported a good deal of capital, technology, equipment, and advanced management experiences, this is still far from sufficient in terms of our modernization drive. Hence, reform and opening up cannot mark time at the existing level but must be further deepened and developed. Since many bad Western influences are bound to come in as reform and opening up unfold, we must pay great attention to this question and deal with it seriously, but we must certainly not go back to the old road of closed doors and ossification. To deal with bourgeois liberalization and various negative and corrupt phenomena, we must rely on stepping up education in the four cardinal principles, strengthening ideological and political work, and cracking down hard on economic crime and so on in order to overcome them, but we must not weaken reform and opening up. The correct guideline for solving the problem of grasping one aspect vigorously and the other softly without good coordination is not to weaken or halt the vigorous aspect to bring it into line with the weak one, but, on the one hand, to make positive efforts to strengthen the weak aspect, and on the other to make still greater efforts to make the vigorous aspect still more

vigorous and bring the two into line with each other at a still higher level. This is our goal, and the comrades of the whole party must strive to attain it.

Does maintaining the general principle of reform and opening up unchanged mean that all the specific policies, measures, methods, and steps for reform and opening up will also remain unchanged? Of course not. Adhering to the general principle of reform and opening up does not mean that there can be no changes in the specific policies, measures, methods, and steps for reform and opening up, and if there are certain readjustments in these respects, it does not mean that the general principle of reform and opening up is being changed. In fact, certain readjustments in specific measures and methods are precisely aimed at improving adherence to the general principle of reform and opening up. Since the 3d Plenary Session of the 13th CPC Central Committee, the state has adopted various new measures, including serious implementation of the measures already proposed, in order to carry out the guideline of improvement, rectification, and deepening the reforms, and all these have been aimed at ensuring the sustained and steady development of the economy and creating a still better environment for reform and opening up. For instance, regarding the orientation of investment, we have practiced an appropriate bias in line with the principle of strengthening primary industries and agriculture. Again, it is necessary to make suitable readjustments regarding those township and town enterprises that waste electricity and raw materials. Again, in the field of foreign trade, we must restrict imports of cars, high-grade domestic electrical appliances, and so on. How can the implementation of these specific policies, measures, methods, and steps mean that the general principle of reform and opening up will be changed? It should be pointed out that the statement that the general principle of reform and opening up will not be changed includes the possibility of changing the specific policies, measures, methods, and steps. That the specific policies can be changed is the proper meaning of no change in the general principle. Reform and opening up are without precedent, and if certain specific policies, measures, methods and steps are found through the test of practice to be not very successful or very unsuccessful, and are left unchanged, this will not help but will actually harm the implementation of the general principle. Of course, when readjusting or changing certain specific policies, measures, methods, and steps, we must not act with undue haste but must consider things carefully, proceed with great caution, persevere in keeping the overall situation in mind, and by all means avoid causing an unfavorable impact on the overall situation of reform and opening up just by one careless move.

We cannot do without an organizational guarantee in adhering to the general principle of reform and opening up. And the most important thing is the guarantee of the leadership core of the CPC Central Committee. The new leadership organ with Comrade Jiang Zemin as the core elected by the 3th Plenary Session of the 13th CPC

Central Committee is seen by the whole party and the people of the whole country as a team that upholds the party's basic line and embodies China's future. The things done by the new central leadership organ have made people believe still more firmly that this is a thoroughly trustworthy strong core that can lead us to adhere to the foundation for building the country and advance soundly along the path of reform and opening up for building a strong country.

What has basically happened in the vast land of China in the past 3 months and more is that while leading the Chinese people to take a clear-cut stand in adhering to the four cardinal principles and opposing bourgeois liberalization, resolutely putting a stop to turmoil, and totally quelling the counterrevolutionary rebellion, the CPC is now unwaveringly continuing to press ahead with the business of reform and opening up. All unbiased people at home and abroad will acknowledge this point. As a result of cool and objective observation, those people on the international scene who harbored doubts are now getting rid of them, the apprehensions of certain people are gradually being dispelled, and more and more people are reestablishing confidence in China's reform and opening up and its modernization drive, and are giving active support and sincere cooperation. Maybe certain people intend to still wait a while to see what happens. Alright, let them do so. Facts in the end speak louder than words.

## Instability Cited as Energy Shortage Cause

### Supply Strategy Outlined

HK250904/189 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 25 Sep 89 p 4

[By staff reporter Huang Xiang]

[Text] Government leaders and energy experts share the view that the national economy cannot keep growing with energy supply lagging behind.

This is the basic formula on which the Ministry of Energy Resources bases its newly completed strategy to guarantee a sufficient and stable energy supply into the next century.

The target of 1.4 billion tons of standard coal by the year 2000 has been set in direct proportion to the planned 7-per-cent annual growth of the industrial and agricultural output value in the next decade.

"Economic growth must not exceed that figure and the energy output in the period cannot be less," a Ministry official said. "If the growth rate cannot keep within the planned level one day, we've got to produce more the next day."

The strategy takes coal as the basis for future development, a fundamental policy that the experts say will not change for a long time.

Being one of the world's richest countries in terms of coal resources, China has known deposits of 800 billion tons and prospective reserves that may exceed 1 trillion tons, according to the newspaper *ECONOMIC DAILY*.

The Ministry holds that China has rich coal resources, sufficiently skilled miners and suitable mining equipment, but that further development of the industry depends largely on adequate funds and transportation, which the Ministry can hardly muster on its own.

The Ministry suggests the construction of more thermal power plants near mines to reduce the cost of generating electricity and alleviate the burden of transportation. The industry expects to save the cost of transporting 100 million tons of coal upon completion, in the year 2000, of thermal plants with an installed capacity of 32 million kilowatts of electricity, by building them near mines.

Speeding up development of hydropower is another important part of the Ministry's strategy. Currently only 3.4 per cent of the potential hydropower available in China have been tapped. The Ministry suggests that the central government keep investing in building large and medium-sized stations near the source of major river systems in the highlands of southwest and northwest China, where 90 per cent of the country's hydropower resources lies.

Local governments cannot afford to construct major hydropower stations in the underdeveloped mountainous regions, the Ministry noted.

The central government is also asked to grant loans for the construction of small and medium-sized hydropower stations in energy-lacking areas, where there are no other energy resources except water. The Ministry plans to develop 20 per cent of the available hydropower resources by 2000.

The use of nuclear power is being treated in the strategy as a major solution to China's energy problem into the next century. The Ministry's plan requires the completion of foundation work such as scientific research and development of production equipment by 2000. By then the installed capacity of nuclear power plants is expected to reach 5 million to 10 million kilowatts, accounting for over 2 per cent of China's total generating capacity.

According to *CHINA ECONOMIC WEEKLY*, the government plans to build new nuclear power plants with a total installed capacity of 30 million kilowatts and to form an annual production capacity of power generating equipment of 10 million kilowatts.

### 'Complex Reasons' Listed

HK7509094389 Beijing *CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT)* in English 25 Sep 89 p 4

[By staff reporter Huang Xiang]

[Text] China is experiencing its worst energy supply shortage since the early 1970s. From enterprises to

government organs, from urban residents to rural villagers, many have been living with the constant threat of a blackout since June.

Many people are puzzled. The news media keep reporting that energy output is up, so how is it possible that there seems to be less and less power?

Energy experts say there are complex reasons for the apparent situation.

Most experts blame the situation on the over-heated economy, which has left the energy industry far behind.

According to the Ministry of Energy Resources, the energy production increase anticipated in the Seventh Five-year Plan (1985-90) is 3.4 per cent over the period while the increase rate of industrial and agricultural output value registered 14.8 per cent in the five years.

In 1988, for example, energy output did increase 9.3 per cent for electricity, 3.5 per cent for coal and 2.2 per cent for petroleum. These figures, however, were insignificant compared with that year's soaring increase of 16.8 per cent in industrial and agricultural output value. Electricity consumption of household appliances also registered a stunning increase of 20.3 per cent.

"The imbalance in the crisis," said an expert with the State Planning Commission. "The increase in energy has never been over 6.1 per cent annually in the last two decades, while the rate of total (industrial and agricultural) output value has never been lower than 8.1 per cent annually."

In developed countries, the increase rate of electricity usually keeps pace with that of the total industrial and agricultural output value. But this has not been the case here in China during the past decade.

Experts also agree the current problem is directly attributable to "insufficient input in the industry" in the words of Zhu Chengzhang, division chief with the planning bureau of the ministry.

Internationally, investment in energy should make up some 23 per cent of the total investment in fixed assets. But here in China, the proportion was 16 per cent at the most 10 years ago and never more than 8.9 per cent since 1985. In the Soviet Union, on contrast, the figure is 30 per cent.

Another problem is that the electricity industry only gets a small portion of the 100 billion yuan in R&D funding that the government grants annually to all industries. Last year, it received less than one-tenth of the share granted to processing and textile factories, which in turn worsens the power shortage.

It must be noted that as a result of reform, the central government is no longer the only investor. But many local authorities, more financially independent nowadays, prefer to invest in the processing industries, which bring in quicker profits. It is also a fact that some local

authorities are not rich enough to launch major projects such as large and medium-sized hydropower stations.

"The central government should be more generous," one official said. "At least it should cool down the over-expanded processing industry." Almost all experts complain about the irrational energy prices, but the central government has been reluctant to take the drastic action of raising prices.

Coal production has long been losing money. Between 1985 and 1988, major State-run mines suffered losses of 8.3 billion yuan.

Crude oil and natural gas production lost 1.5 billion yuan last year and are expected to lose 4.7 billion yuan by the end of this year. The electricity industry will face a similar situation soon.

The nuclear industry is undergoing a major shift from only military production to civilian production, a time-consuming and money-losing process.

"The whole industry lacks vitality, because the more we produce the more we lose," the official said.

Some leaders noted that the country's economy got heated up even with a lack of power. These leaders decided to hold back energy investment and production to help curb the over-expanded economy.

Other decision-makers attribute the power shortage to the lack of transportation. As a result, they adopted the policy that coal output should be based on transportation volume available.

When the State Council decided on a policy of retrenchment, the axe fell mainly on the energy sector. According to a report, the energy industry's share of total investment dropped from 16 per cent in 1983 to 12.7 per cent in 1985, to 8.5 per cent in 1987, and to 8.25 per cent in 1988.

#### **CITIC Corporation Head Answers Questions**

HK200000689 Beijing ZHONGGUO XINWEN SHE in Chinese 1989 GMT 22 Sep 89

[Report: "Rong Yiren Answers Questions by Chinese and Foreign Reporters"—ZHONGGUO XINWEN SHE headline—questions to Rong Yiren asked by unidentified reporters]

[Text] Beijing, Sep 22 (ZHONGGUO XINWEN SHE)—At an interview session today, held in response to a request by dozens of Chinese and foreign media, Rong Yiren, chairman of China International Trust and Investment Company (corporation) (CITIC), answered questions about CITIC's internal affairs and other concerns. The interview was conducted in the International Building.

[Reporter] Recently CITIC was fined 5 million yuan. In your opinion is this fair? And has the matter concluded?

[Rong] In a sense this matter has concluded, because we have paid the fine. In the past it was okay for a company's departments to internally regulate or transfer foreign exchange. But when some of the departments have become an affiliated company, as a legal person, these companies should have broken relevant state's regulations when they continued regulating or transferring foreign exchanges.

#### **Tang Ke Is No Longer the Vice Chairman**

[Reporter] (omitted) [as received] [Rong] Since Tang Ke became chairman of Kanghua Company he has not been involved in CITIC's general affairs, so relieving him from the post of first vice chairman was only a matter of formality.

[Reporter] What do you think of China's economic situation? Will the CPC fifth plenary session stage some new reforms measures?

[Rong] Since I am not a participant in the session, I am not in a position to answer this question. China's current economic situation is a little slow compared with the first half of the year. My estimate is China's economy will improve in the next 2 or 3 years.

#### **Preparations for Two New Projects Have Been Launched**

[Reporter] Will China's retrenchment policy affect CITIC's investment strategy?

[Rong] There will be some impact. But overall, the direction of investment will always have to conform with the change in the investment structure. From the second half of last year through the first 6 months of this year, CITIC has invested in three power plant projects in Jiangsu, Inner Mongolia, and Henan. Right now CITIC is working on two new projects, which will be announced to the public after they are officially signed.

#### **CITIC Has Not Been Put Under Any Government Ministry**

[Reporter] A larger number of companies have seen their administration status revoked. Does this affect CITIC in any way? And is it true that CITIC has been put under some government ministry?

[Rong] When CITIC was established, it was decided that it would not have administrative powers and would purely be a business organization. Our opinion is that business operations should be separated from administration. There have been some outside comments, and these comments in fact are addressing the issue of hierarchies—which should not have been used in evaluating companies—not in the context of structural reform. Some companies have the problem of hierarchy, not CITIC.

[Reporter] Some newspapers have commented that the working class is the leading class, and in this basis have



criticized certain private enterprises. Are these comments directed against CITIC?

[Rong] CITIC is a state company. It never was a private company. The body politic of our country has laid down the leadership of the working class. Over the last few years there have been various kinds of opinions, all denying that the working class is the leading class. So we should confirm anew the leadership of the working class. Our country allows a certain degree of the development of private economy, for our economic development would only benefit from it. It has played a supplementary function. But private economy cannot represent public ownership, which is the main body of ownership system in our country.

#### How Does Zhao's Removal Affect CITIC?

[Reporter] CITIC was supported by Zhao Ziyang. What impact does his downfall have on CITIC?

[Rong] CITIC has primarily relied on party policies, the leadership of the State Council and the trust of foreign friends. Some of the things done by CITIC Zhao Ziyang supported, some he did not. But it is not the custom for a Chinese to say again which things he did not support now that he is removed.

#### Wang Jun Is Still Working in CITIC

[Reporter] Sons and daughters of high-ranking cadres are not allowed to work in the circulation realm. Does this include CITIC?

[Rong] The instructions of the CPC Central Committee specifies only the sons or daughters of the members of the CPC Political Bureau's Secretariat and the leading members of the State Council, and the two personnel to which these two categories apply have left CITIC. These two persons were very capable, and I regret their resignations. Wang Zhen is the state's vice president, so the instruction does not apply to his sons and daughters. Wang Jun is a technical staffer. He has worked in CITIC for 10 years and his performance has been brilliant. Deng Zhifang now is assistant general engineer of the CITIC Technical Company. He has a PhD in Physics. He has been praised by his colleagues for his personality and his work performance.

[Reporter] How has the turmoil influenced China's economy? Will reform be aborted? Will foreign businessmen return soon?

[Rong] Under a situation of turmoil, it would be difficult to extend business. To develop its economy, China must have a stable environment. The previous chaotic situation has been reversed. There will be no change to China's reform. Moreover, it will develop. Sino-foreign cooperation will benefit both parties. If such cooperation favors China, foreign businessmen would not come. Foreign friends now adopting a wait-and-see attitude will finally return to China.

#### Kissinger Will Visit China This Year

[Reporter] Were you hurt by Kissinger's decision not to attend the CITIC seminar?

[Rong] I have discussed this event with Kissinger. He said he will be visiting China later this year. Many foreign friends have applied for the CITIC seminar, this shows that they are interested in cooperation with China.

#### New Operations in Hong Kong By CITIC

[Reporter] What are CITIC's new plans for its Hong Kong business?

[Rong] Recently CITIC has signed an investment agreement on plastic manufacturing in Hong Kong. We must be fully confident in Hong Kong, which is an important place to extend our economic activities.

[Question] Does CITIC have a plan to merge and lay off workers?

[Rong] CITIC now employs more than 20,000 persons, 17,000 of them were the workers of a machine manufacturing factory which CITIC has taken over. CITIC may conduct some adjustment in some of the affiliated companies.

[Reporter] What change would CITIC undergo in the next decade?

[Rong] When the company was established 10 years ago, I never expected it would develop so quickly. CITIC now has 20 billion yuan in capital assets, I think 50 billion 10 years from now would not be an exaggerated figure.

#### Status of Economic Readjustment Considered

HK Jirrit (The Beijing Daily) (CHINA) in Chinese No. 3, 1989 pp. 4-6, 41

[Article by Xie Minggan (658) 2494 (658): "Thoroughly Implement the Spirit of the Fourth Plenary Session and Conscientiously Do A Good Job in Improvement and Rectification"—edited by Lin Daqun (265) 6670 (6649)]

[Text] The victorious convocation of the 4th Plenary Session of the 13th CPC Central Committee is not only of great importance in furthering efforts to stabilize the national situation, but is of far-reaching significance in ensuring the continuity of our party's line, principle and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee. The plenary session pointed out that one the four important tasks we must grasp for some time to come is to continue to carry out the policy of improving the economic environment and rectifying the economic order so as to better implement the policies of reform and opening to the outside world and develop the economy on a sustained, steady, and coordinated way.

Last year, we began implementing the policies of improvement, rectification, and deepened reform, and shifted the emphasis of economic work to improvement

and rectification. The vast numbers of staff and workers on the economic front have since then worked with one heart and one mind to overcome difficulties, and have achieved initial results. Since the beginning of this year, in particular, the national economy has been developing steadily and the situation has been gradually changing for the better. The speed of industrial development has slowed down somewhat. Between January and May, the gross industrial output value was 11.2 percent higher than in the same period last year, while smaller increases were attained in the industrial sector under the collective ownership of the whole people and in other types of industry. The scale of investment has been reduced. Between January and May, investment in fixed assets by units under ownership of the whole people was 7.1 percent less than in the same period last year. Agricultural production on the whole has improved compared with last year due to both higher purchase prices for grain and cotton and increased input. A bumper harvest is expected for summer grain. Prices for grain in country fairs and for non-staple food are stable with a slight decline. Market supplies are abundant. With more commodities purchased than sold, there is an increase in goods kept in stock. The cash and credit balance of banking institutions at various levels has been reduced somewhat, with more money being recalled from circulation. Institutional consumption has been brought under control, and instances of extravagance and waste in government offices, enterprises, and undertakings have been reduced. The sequence of circulation has seen preliminary rectification, and illegal activities and confusion have been alleviated. Although communications and transportation were disrupted by the turmoil and counterrevolutionary rebellion in Beijing and a number of cities in May and June, thanks to the joint efforts of the vast numbers of staff and workers and the people of the whole country, the overall economic situation is still good. Stagflation and recession have not occurred.

However, we should also see that we have achieved merely initial successes and that we are still a long way from the targets of improvement and rectification. Our tasks will become more and more difficult. The recent turmoil and rebellion have created new difficulties for us. Thus, we still need to exert ourselves and must not relax our efforts in the slightest in order to do a good job in improvement and rectification.

1. In the work of improvement and rectification, we should still concentrate on reducing excessive demand.

China's recent inflation was caused mainly by overheated economic development and excessive demand. Although economic development has seen rapid growth, the propensity to invest and consume has grown even more rapidly. In 1983, the difference between total demand and total supply amounted to over 220 billion yuan. The Second Plenary Session of the Seventh NPC put forward the task that "first and foremost, we should cut total demand without the slightest hesitation," judging from the situation in the first half of this year, we have not been too successful implementing this task.

Although investment in fixed assets was reduced during the January-May period, the reduction fell far short of the planned target of 28.8 percent. Investment in fixed assets still registered increases in eight regions (including Hainan and Tibet) compared with the same period of last year. Local projects still accounted for a high proportion (54.42 percent) of the national target for investment already fulfilled. As for consumption funds, institutional purchases of consumer goods remained at a high level contrary to the planned target of a 20 percent reduction. The management cost of enterprises, administrative organs, and public institutions soared. Workers' wages increased by 24.1 percent over the January-May period, growth surpassing the rate of growth for the national income. This shows that the propensity to invest and to consume has not been effectively brought under control. More effective measures, such as resolutely slashing a number of projects, must be taken. Economic sanctions should be imposed upon those who resist the state policy or pay lip service to the call to slash projects, and those responsible must be called to account. The investment pattern should be readjusted. In the arrangement of state plans, the extension of credit, and the readjustment of tax rates, priority should be given to the development of agriculture, energy, communications, and major raw and semifinished materials. Institutional consumption should be further curtailed. The management of wage funds should be strengthened. Efforts should be made to promote and encourage savings. The system of regulating tax on personal income should be improved and the system of filing personal tax returns should be established. These are tasks that must be grasped and implemented as quickly as possible.

2. We should firmly grasp the key link of the readjustment of the economic structure.

This year, the excessive growth of industrial development has been curbed, but structural contradictions remain acute, thus affecting our efforts to increase the supply of essential products and achieve better economic results. The major manifestations are: (1) Increases in the production of energy and major raw and semifinished materials are lagging behind the rate of growth for industry as a whole, and processing industries in particular. Between January and May, the production of raw coal increased by 6.4 percent compared with the same period last year. Over the same period, power generation went up 5.4 percent, crude oil production rose 0.3 percent, steel production dropped 1.5 percent, rolled steel production dropped 2.7 percent, and pig iron production dropped 1.9 percent. All these figures were far below the rate of industrial growth as a whole. Some of these even fell short of the planned targets. Many key enterprises were unable to maintain normal production due to the shortage of energy and raw and semifinished materials. In particular, the power industry, as the main supplier of energy for industrial production, remained in a strained situation all this time. Power shortage has become a major constraining factor for industrial production. (2) Closely related to the above is the unreasonably pattern of investment in fixed assets. Although

investment in the energy industry was increased, investment in the raw and semifinished materials industry was cut by 11.5 percent—its proportion dwindling from 23.4 percent to 22.3 percent. Investment in the underdeveloped sectors of transportation and posts and telecommunications was also slashed by 10.8 percent. The problem of inadequate rail transport and coastal shipping facilities has become more and more acute, seriously affecting the transportation of coal, minerals, timber, grain, and goods and materials for export. (3) Industries under collective ownership, particularly township and small town enterprises, are still developing too fast, showing increases of 17.7 percent and 26 percent respectively compared with the same period last year. On the other hand, industries under the ownership of the whole people charged with major tasks beneficial to the national economy and the people's livelihood only registered a 6.3 percent growth. Many large- and medium-sized key enterprises owned by the whole people are faced with all kinds of difficulties. Some of them are not operating at full capacity, while others are slow in making replacements and innovations. If this goes on, economic development in the future will be severely affected. These problems have cropped up because healthy mechanisms for the market and for enterprises have not yet developed during the process of the replacement of the old structure by the new, prices are distorted, and resources have not been properly allocated. The solution of these problems takes time. The macroeconomic balance, ineffective regulation and control, and our lack of determination are also contributing factors. At present, it is of utmost importance that we resolutely implement the key points of the industrial policy formulated by the State Council in all our economic work. In particular, we must as quickly as possible formulate safeguards and set the priorities with respect to investment, supplies, credit, public finance, taxation, and commodity prices, support and encourage in genuine earnest those aspects of production and construction highlighted in the present industrial policy, and strictly restrict and prohibit those areas of production and construction that need to be brought under control. Township and small town enterprises, which are technologically backward, turn out inferior goods, and consume a lot of energy and raw and semifinished materials, should be resolutely closed down, or ordered to suspend production, merge with other enterprises, or switch to another line of production. Comrade Deng Xiaoping has recently called our attention to this matter. We should put these measures into practice without hesitation.

3. We should grasp the policy of tightening up credit without relaxation.

Due to tight money supply, enterprises have been feeling the pinch in terms of circulating funds since the beginning of this year. Seen in terms of the whole country, credit is still expanding. By the end of May, credit already amounted to 1,085 billion yuan, 9.8 billion yuan more than what it was at the beginning of the year. More than half of the localities registered increases of varying

degrees compared with the beginning of the year. The increases were more substantial in Shanghai, Guangdong, and Liaoning, accounting for 72.6 percent of the country's credit increases. As long as total demand is still excessively high, the policy of tightening up credit must not be relaxed. Otherwise, the tasks of improvement and rectification, curbing inflation, and substantially lowering the price index this year will fall through. It thus appears that measures for tackling the problem of fund shortages can and must only be as follows: (1) We should further readjust the credit pattern, resolutely encourage those sustainable and restrict those unsustainable in accordance with the industrial policy and state plans, and ensure the needs of key enterprises. Priority must be given to credit for the purchase of major farms and sideline products, the purchase and sale of energy and major raw and semifinished materials, and the purchase of export commodities for earning foreign exchange. Funds needed by large- and medium-sized key enterprises for normal production and operation should also be guaranteed in order that they can really be invigorated. On no account should credit be extended to those trades, enterprises, and products the development of which is restricted or prohibited. This measure should be laid down as a rule of discipline. (2) We should further promote the development of bank deposits in the towns and country, and clearly stipulate this measure as a fundamental national policy. In addition to readjusting the interest rates from time to time, we should also make an effort to provide better services and make things convenient for depositors. Problems such as having too few depositing outlets, complicated deposit and withdrawal procedures, poor service attitudes, and short business hours should be tackled in real earnest. The modes of deposit should be diversified and the scope of the issuance of inflation-proof bonds should be enlarged in order to absorb more funds from society for the service of key production and construction projects. (3) We should take positive steps to sort out bad debts between enterprises, between banks and enterprises, and between banks. (4) We should strengthen the management of funds and speed up the circulation of funds. In this regard, there is great potential to be tapped. At present, many enterprises are confronted with a shortage of funds on the one hand and have a lot of funds tied down on the other. At the end of May, the value of finished goods kept by enterprises covered by the state budget totaled 63.4 billion yuan, an increase of 37.7 percent over the same period last year. This has a lot to do with the fact that these goods are selling poorly or not wanted by consumers. We should make an effort to conduct a checkup of warehouses and make better use of the stored goods, promote sales, update the designs and varieties in accordance with changes in market needs, and make sure that the goods produced are marketable. (5) In order to overcome the problem of the shortage of funds, we could consider carrying out joint operations or come funds from among staff and workers with the authorization of the departments concerned.

4. We should deepen the campaign to increase production, practice economy, raise revenues, and reduce expenditures.

Between January and May, the improvement of economic results in the industrial sector was sluggish. Some important indexes even fell below last year's level. For example, the profit and tax rate on sales by industrial enterprises owned by the whole people and covered by the state budget was registered at 17.53 percent, 2.23 percentage points lower than in the same period last year. The comparable cost of products increased by 18 percent, 11.3 percentage points higher than in the same period last year. Losses were registered in 20 percent of enterprises, with deficits totaling 5.68 billion yuan. This represents increases of 1 percent and 11.3 percent respectively over the same period last year. There are many reasons for this. As far as the enterprises themselves are concerned, the main reason is poor management and insufficient attention to the campaign to increase production, practice economy, raise revenues, and reduce expenditures. We should realize that the tasks of improvement, rectification, and deepening reform should center on the achievement of better economic results, and that an important criterion for the success or failure of the tasks is whether or not economic benefits, primarily the economic benefits of society, have improved. The economic benefits of enterprises constitute the basis of the economic benefits of society, as well as important means for improving the economic environment and increasing state revenue. Thus, we must strive to improve enterprise management, persist in paying equal attention to efforts to increase production and practice economy, and fully tap the potential of enterprises in various respects. At present, we should pay attention to grasping work in the following three areas. (1) We should improve the system of contracted responsibilities. Contracts should cover gains as well as losses. Contracting enterprises should no longer be allowed to enjoy "peaceful meals" without having to take risks. Effective steps should be taken to remedy the present problems where the base figures are fixed at a very low level and the state is receiving too little of profits made in excess of the contracted quotas. The method of tying total wages to performance should also be changed. The ratio should be kept within the range of 0.7 to 1 in order to strictly control the excessive growth of total wages. On the above basis, we should take further steps to strengthen the management of financial matters, labor, equipment, and safety arrangements within enterprises. Second, we should tackle the problems of quality and consumption in real earnest. Poor quality of products and a high level of material consumption are the fatal weaknesses of China's industrial enterprises. Despite years of talks, the situation has not changed much. According to estimates by the departments concerned, losses due to the poor quality of products exceed 18 billion yuan each year. If the consumption of raw and semifinished materials and fuel is reduced by 1 percent, more than 4 billion yuan can be saved. This shows the seriousness of the problem and the vastness of the

potential. In recent years, a lot has been done in raising the quality of products and reducing consumption. The problem is that we have not been resolute enough and the measures taken are ineffective. In particular, we have not firmly grasped the task of reducing consumption and lack clear-cut objectives and effective measures. Vague measures to tackle the problems of poor quality and waste are effective means in over, among the current difficulties and doing a good job of improvement and rectification. They are also fundamental means for ensuring stable economic growth. We should see the strategic importance of these measures, and supervise and guide enterprises in grasping these measures relentlessly. Third, we should persevere in running enterprises through hard work and thrift. According to relevant data, enterprises and public institutions in China spend more than 20 billion on winning and dining each year. The first 5 months of this year saw a 32.28 percent increase in the management cost of state-owned industrial enterprises. Severe measures must be taken to curb institutional expenses on consumer goods, and prohibit winning, dining, extravagance, and waste in order to truly practice austerity for a few years.

5. We should take tough measures to readjust the sequence of circulation.

Although initial achievements have been made in readjusting the sequence of circulation, we are still a long way from the anticipated goal, and many companies, particularly companies not belonging to departments of circulation, have not yet been cleaned up. Problems such as strong resistance, lack of clearly defined policies and responsibilities, poor coordination between the departments concerned, and half-hearted support from the departments concerned all urgently await solution. Normal market order has yet to be established. In order to carry the work of readjusting the sequence of circulation through to the end, an authoritative organ needs to be set up to take overall charge, coordinate work among the departments concerned—mainly, the departments of industry, commodity price, taxation, commerce, goods and materials, and foreign trade; unify understanding, objectives, policies, and actions, and prevent the tendency for each to go one's own way, which may counteract the efforts made. This authoritative organ must have the courage and ability to withstand tough reaction. It must be able to conduct serious investigation into and supervision over all departments, localities, government offices, enterprises, public institutions, and individuals, and come up with correct judgments. Stress should be placed on cleaning up and reorganizing those companies which have not yet been cleaned up and reorganized, as well as on formulating policies, laws and statutes, and market regulations. If this is not done, and the old practices whereby "companies which are easy to manage are kept under control while those which are difficult to manage are left to themselves" and "the dishonest can gain extra advantage at the expense of the honest" are allowed to continue, then the reorganization of the sequence of circulation will be nothing more than "half-cooked rice" or merely going through the motions. In



addition, the reorganization of the sequence of circulation should be integrated with price control. Unauthorized price hikes, price hikes in disguise, and unauthorized "readjustment and relaxation" of prices on whatever pretext should be strictly prohibited. If this is not done, not only will the sequence of circulation be disrupted, but the goal of lowering the price index this year will also go up in smoke.

6. We should strictly implement the state plan and strengthen the legal system.

Comrade Deng Xiaoping recently pointed out: "We must continue to persevere in integrating the planned economy with regulation by market forces. This policy cannot be changed. In actual work, we could perhaps introduce more elements of planning during the period of readjustment." In recent years, some comrades have had a weak concept of the state and of planning. They tend to concern themselves more with the interests of their localities, departments, or enterprises than they do the interests of the state. Very little of the profits from contracting actually find their way to the state coffers. Mandatory state plans are essential for ensuring the needs of the national economy and the people's livelihood, and should be fulfilled 100 percent. However, their implementation has been far from satisfactory in recent years. On the other hand, sales by enterprises through their own channels have soared. According to statistics by the departments concerned, in the first quarter of this year the rate of fulfillment of state contracts declined in 15 of the 16 types of materials

placed under unified distribution. Among these materials, pig iron, copper, lead, tin, cement, and timber saw a drop of more than 10 percentage points, rolled steel, sodium carbonate, and rubber saw a drop of between 5 and 10 percentage points, and coal, aluminum, copper materials, caustic soda, and sulphuric acid saw a drop of between 1 and 5 percentage points. This situation must be put to an end because it is not conducive to improvement and rectification, not conducive to the readjustment of the industrial structure, not conducive to large- and medium-sized key enterprises that play a leading role in the national economy, and not conducive to the steady and coordinated development of the national economy as a whole. If we do not strive to fulfill the state plans in real earnest and in an all-around way, we cannot even talk about the planned economy. On this question, all localities, departments, and enterprises must give primary consideration to the overall situation, consciously share the cares and burdens of the state, and consciously restrict short-sighted behaviour. In addition, efforts must be made to strengthen the legal system and discipline. Units that fail to fulfill mandatory state plans, as well as their responsible persons, must be called to account and made to bear administrative, economic, and legal responsibilities. On no account must we be indulgent toward their mistakes or make concessions to them. Only when we have unified our thinking and actions around the policy of improvement, rectification, and deepening reform put forward by the party Central Committee and the State Council, work with one heart and one mind, work hard in the spirit of solidarity, and press forward in the face of difficulties, will we be able to achieve the anticipated goals in improvement and rectification.

## East Region

### Fujian Secretary Attends Heroes' Report Meeting

(H 200960/15899 Fuzhou Fujian Provincial Service  
in Mandarin 1000 GMT 29 Aug 89)

[Text] The Deeds Reporting Group of Heroes and Models in Quelling the Counterrevolutionary Rebellion in Beijing delivered its first report at the provincial gymnasium in Fuzhou this morning.

The meeting was jointly sponsored by the provincial CPC Committee and the Fuzhou City CPC Committee. More than 6,000 people attended the meeting, among them leaders of the provincial CPC Committee, the Advisory Committee of the provincial CPC Committee, the provincial Planning Commission, the provincial People's Congress, the provincial government, the provincial Chinese People's Political Consultative Conference, Fuzhou City, the provincial Military District, and the Navy and Air Force stationed in the province, retired comrades of the Army and localities, party, government, and military cadres of provincial and city levels, and the people.

In his welcoming speech, Chen Guangyi, secretary of the provincial CPC Committee, said The Deeds Reporting Group of Heroes and Models in Quelling the Counterrevolutionary Rebellion—bearing the great trust of the CPC Central Committee (CPCCC), the State Council, and the Military Commission of the CPCCC—have travelled far to our province to make a report tour. This will be the most realistic and vivid lesson for us to learn and for implementing the guidelines of the fourth plenary session. The heroes and models of the report group will tell us the process of struggle in stopping the turmoil and quelling the riot with their personal experiences and their lively and touching deeds. This indeed will be a very rare chance for our ideological education. Therefore, we must fully take this opportunity to learn from the heroes and models and publicize their deeds. The important thing in learning from them is action and implementation. It is imperative for the party committee and governments of all levels to learn from the People's Liberation Army, the Guards of the Republic, heroes, and models. We must regard these activities as an important step in carrying out the guiding principle of the fourth plenary session, as an important and effective approach to launching the education of patriotism, socialism, and revolutionary heroism, and as a forceful measure in greatly publicizing our political achievements and resisting unhealthy trends and evil practices. We must rely on these activities to unify the people of all walks of life and carry forward the spirit of the time as reflected by the advanced deeds of these heroes and models.

At the meeting, Senior Colonel (Wang De), leader of the fifth subgroup of the report group, delivered a comprehensive report, entitled The Spirit of the Guards of the Republic Will Shine Forever.

Major (Zhang Guichen), political instructor of a battalion of the martial law enforcement troops, the unit in

which the Guard of the Republic (Wang Tifu) and the other five martyrs served, introduced the touching deeds of these six martyrs in a report, entitled Pure Gold Proves its Worth in a Blazing Fire and Warm Blood Creates Loyalty.

The Guard of the Republic (Yu Aizong), a sergeant squad leader of the martial law enforcement troops, reported how he saved his comrades-in-arms while disregarding his own safety, and how he insisted on rushing to Tiananmen Square to perform his duty even after his right eye was damaged by the ruffians.

Secretary (Wang Shouen) of the party committee of the Tongren Hospital in Beijing explained why the hearts of our people are linked to those of the People's Liberation Army by reporting how medical personnel, cadres, staff, and workers rescued wounded soldiers and protected guns and ammunition.

Lieutenant Colonel (Jian Lin), winner of the Merit Citation, Class One, and deputy political commissar of the Fifth Detachment of the Beijing Armed Police Force, and (Gao Kunben), deputy director of the (Yongwan) Substation of the (Chengde) Police Subbureau of the Beijing Public Security Bureau, respectively gave lively descriptions of how the fifth detachment and anti-riot teams quelled the riot, and how public security cadres and police saved the officers and soldiers, protected military vehicles, and arrested ruffians.

After the reports, Wang Zhaoguo, deputy secretary of the provincial CPC Committee and provincial governor, and Major General Zhang Zongde, commander of the provincial Military District, presented on behalf of the provincial CPC Committee, government, and Military District a silk banner to the fifth subgroup of the report group with Chinese characters saying Salute to the Defenders of the Republic.

To close the meeting, all those present sang "Without the Communist Party, There Would Be No New China."

### Shandong Develops Foreign Cooperation

(H 1006074989 Beijing XINHUA in English  
1526 GMT 18 Sep 89)

[Text] Jinan, September 18 (XINHUA)—The Shandong Peninsula, one of China's key districts open to the outside world, has been actively improving its investment environment and seeking a wider field of cooperation. Now, more than 300 foreign-funded enterprises have been set up here.

According to incomplete statistics, by the end of last June, the four open coastal cities on the Shandong Peninsula had ratified a total of 700 foreign-funded projects, with a contracted investment of 1.2 billion U.S. dollars, of which 800 million U.S. dollars consisted of foreign investment.

Since the beginning of this year more and more foreign businessmen have come to the peninsula to negotiate

about trade and economic cooperation. By the end of July, the four cities had ratified 178 foreign-funded projects, with a contracted foreign investment of 130 million U.S. dollars, far surpassing the amount in the same period last year.

The Shandong Peninsula juts out into the Yellow Sea and the Bohai Strait. It has an area of 4,600 sq km and a coastline of 2,200 km, with four coastal cities—Qingdao, Yantai, Weifang and Weihai.

One of China's most developed economic and cultural regions, the peninsula has rich natural resources, convenient transportation and a solid industrial foundation.

Since 1984 the four cities have invested several billion yuan in the construction of infrastructural facilities, greatly improving the investment environment. There are 22 seaports in Shandong, among which Qingdao, Yantai, Weihai and Longkou Ports—with an annual handling capacity of more than 45 million tons—are open to foreign ships; all the four cities have airports connecting them with China's major cities.

The four cities all have program-controlled telephone systems, with a total installed capacity of nearly 100,000 lines, and Qingdao and Yantai have international direct-dialing. The peninsula has a power generating capacity of 2.6 million kw, which generates 17.1 billion kw/h a year.

At present, most of the ratified foreign-funded projects here are in key industries such as light industry, textiles, machinery, electronics, rubber, chemicals, building materials, energy and transportation, of which more than 90 percent are production projects.

Besides, the nearly 300,000 rural enterprises in the peninsula have attracted the attention of foreign businessmen seeking partners; more than 100 foreign-funded enterprises have been set up in rural areas, 30 percent of the total in the district.

Weihai is the youngest city in the peninsula, having been separated from Yantai in 1987. However, it has already caught up with the other three cities in terms of economic and technological cooperation.

Deputy Mayor Zhang Jinchao said that in the first seven months of this year, 25 more foreign-funded projects were set up in Weihai.

An important part of the peninsula's economic and technological cooperation consists of using foreign funds and advanced technology and equipment to upgrade old enterprises. One third of the 320 ratified foreign-funded enterprises are involved in this kind of cooperation.

The open policy has brought steady development to the economy of the Shandong peninsula. In 1988 the industrial and agricultural output value reached 63.4 billion yuan, about 42 percent of the province's total, while its population is only 25 percent of the province's total. The industrial output value of Qingdao, Yantai and Weifang exceeded 10 billion yuan each.

The local authorities believe that Qingdao will progressively develop into one of the monetary, trade, information and tourism centers on the west coast of the Pacific Ocean, while Yantai, Weifang and Weihai will set up comprehensive export bases of light industrial goods, textiles, machinery, chemicals and agricultural products.

#### Shandong Publishes Fulfillment of Jan-Aug Targets

NA 2009/2009s *Jinan Shandong Provincial Service*  
in *Mandarin* 2:00 GMT 19 Sep 89

[Text] Recently, the provincial Statistical Bureau, the provincial Economic Commission, the provincial Planning Commission, the provincial Financial Department, and the provincial People's Bank have jointly published the fulfillment of the major economic and technological targets in the province during the January-August period.

Obvious achievements were scored in curtailing the investment in fixed assets. The investment in fixed assets made by the state-run units declined by 20.8 percent from the corresponding period of last year, of which the investment in local projects declined by 15.7 percent. The scale of credit decreased. By the end of August, the remaining sum of bank loans throughout the province was 451 million yuan fewer than that at the beginning of this year; however, the remaining sum of loans in fixed assets was 325 million yuan more than that at the beginning of the year. The growth in the total amount of wages to workers and staff members tended to slow down. The total amount of wages to workers and staff members throughout the province reached 8.237 billion yuan, a 23.8-percent increase over the corresponding period of last year. The labor productivity increased at a slow speed. The per-capita labor productivity of the state-run industrial enterprises exercising independent accounting was 14,486 yuan, a 5.73-percent increase over the same period last year. Of the 15 cities and prefectures in the province, 8 were below the average level in the growth rate of per-capita labor productivity. The cost of comparable products continued to go up. The rate of profit and tax from the sales of industrial products continued to decline. The cost of comparable products of the state-run industrial enterprises covered by the provincial budget went up by 21.4 percent, an increase of 15.7 percent over the increase in the corresponding 1988 period. The rate of profit and tax from the sales of industrial products dropped by 1.33 percent from the same 1988 period. This rate slightly went up only in Weihai City and Huzhou Prefecture.

#### Shanghai Papers Review Turmoil

HK 2209/01889 *Beijing ZHONGGUO XINWEN SHE*  
in *Chinese* 03:12 GMT 22 Sep 89

[Report] "Shanghai Newspapers Carry Articles Revealing the Truth of Turmoil in Shanghai"—ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 22 Sep (ZHONGGUO XINWEN SHE)—Shanghai's two major newspapers, JIEFANG

RIBAO and WENHUI BAO yesterday published the same article systematically revealing the student demonstrations, turmoil, and riots in parts of the city from April to June this year.

Entitled "Truth of Turmoil in Shanghai" and comprising 12,000 characters, the article is divided into five parts under the following subheads: "This Turmoil Had Long Been Premeditated", "From the Very Start Student Demonstrations Were Controlled and Manipulated by a Small Number of People", "From Start to Finish Turmoil Was Characterized by Coordination Between North and South", "All Kinds of People Were Involved and Turmoil Began To Spread Throughout the Entire Society", and "Putting Down the Counterrevolutionary Rebellion in Beijing Helped Remove the Root Cause of Turmoil in Shanghai Where People Shared Their Efforts in Stabilizing the Situation."

This article says: After the 3d Plenary Session of the 13th CPC Central Committee, SHIHE JINGJI DAQBIAO which had close ties with Zhao Ziyang's think tank began to publish continuously articles which asserted that improving the economic environment and rectifying the economic order would lead to economic "stagnation" and a "reversion" in reform. Those articles also attacked Premier Li Peng's Government Work Report to the Second Session of the Seventh National People's Congress [NPC] and proposed "preventing retrogression in reform." In the meantime, "elite" figures from Shanghai and Beijing held frequent contacts and discussions, published articles, and carried out overt and covert activities. On some university campuses in Shanghai, some people spread anticommunist and anti-socialist viewpoints and encouraged the students to "take to the streets." Hostile forces abroad, including the "Chinese Democratic Association," provided active support in an attempt to make a "political landing."

The article reveals: The Shanghai student movement was controlled and manipulated by a small number of people from the very beginning. At the start of the student movement posters, banners, and slogans were of a very prominent political nature and aimed at stirring up turmoil. Some attacked party and state leaders, others instigated the students to wage bourgeois liberalization, and still others opposed the policy of improving the economic environment and rectifying the economic order, urging "overthrow Deng and defend Zhao." The article points out: "Think tank members were behind the students and their illegal organizations. Active behind the scenes and on the stage they instigated a large number of ignorant students to form illegal organizations, conduct secret gatherings and terrorist activities, destroy traffic facilities on a large scale, and wage riots." These "think tank members" included seven teachers headed by Ye Maoyang of Fudan University's "cultural and media" research center, Chen Qiwu, deputy director of the Economics Department of Huadong Teachers' University, and Chen Lebo, director of the Domestic Economy Department of SHIHE JINGJI DAQBIAO.

The article particularly points out: During the Shanghai student movement, some hostile forces in Hong Kong, Macao, and foreign countries kept their links with the Shanghai "College Student Autonomous Federation" through special channels. The "Chinese Democratic Association" supported the Shanghai student movement. It sent Yang Wei to get in touch with chiefs of the Shanghai "College Student Autonomous Federation" and to provide "policy guidance." Chen Jun, a member of the organization, exercised remote command over the Shanghai student movement and riot through a special telephone line set up in his home in the United States. Taiwan spy organizations also carried out all kinds of activities.

Coordinating with the Beijing student movement was a characteristic of the Shanghai student movement and riot. The article points out: "The schemers, organizers, and controllers of the riots in Beijing and Shanghai planned coordinated action between Beijing and Shanghai with the help of Zhao Ziyang's think tank, SHIHE JINGJI DAQBIAO's Beijing office, and the Beijing and Shanghai 'College Student Autonomous Federations.' During the student movement and turmoil, 'rain came in Shanghai as soon as a wind blew in Beijing.' After the State Council declared martial law in parts of Beijing on 20 May, a reactionary tidal wave arose in Shanghai against enforcement of martial law in Beijing and was aimed at overthrowing the legal government. During this period, schemers of the riot kept organizing large-scale demonstrations and instigating the students and masses to force the NPC Standing Committee to hold an emergency session in an attempt to lift the martial law decree and dismiss Li Peng from office. They blocked traffic in Shanghai to ruin the economy. They also organized the students in 'brecciating classes' to oppose Premier Li Peng's demand for 'unconditionally resuming classes.'"

The article continues: All kinds of people in society were involved in the student movement, and this eventually led to social turmoil in the city. SHIHE JINGJI DAQBIAO was the "source" of this social turmoil. Apart from this, "some people in theoretical, press, publication, cultural, and educational circles had long persisted in their bourgeois liberal stand and maintained close ties with foreign political forces. They also had close links with Beijing riot schemers, organizers, and controllers. These people were quite active during the recent turmoil. On several occasions, bourgeois liberalization chief advocate Wang Ruowang demonstrated on the streets, granted interviews to reporters, and contributed anti-party and anti-socialist articles to newspapers outside the country." In addition, he also secretly listed names to form a cabinet and asserted that "after the victory of the student movement a regime will be set up comprised of intellectuals and a national meeting will be held to revise the Constitution and form a coalition government."

The article adds: "Some Shanghai party members holding important party and government posts openly opposed the Central Committee. After a meeting of



central party, government, and military cadres on 19 May, they drafted what they called an "Open Letter to the CPC Central Committee" from Shanghai party members, in which they urged the Central Committee to hold an emergency meeting to "withdraw Li Peng's 19 May speech," negate the 26 April RENMIN RIBAO editorial, and to "immediately renounce the news blackout." This was in collaboration with the activities of the Beijing "think tank." When collecting signatures for this open letter some respondents refused to sign, but the organizers were so impatient that they had the letter published in some Hong Kong newspapers with the names of those who had signed, thereby producing a vicious influence inside and outside the country.

The article says: After the Beijing counterrevolutionary rebellion was put down, "Shanghai riot schemers, organizers, and controllers stepped up their efforts to carry out counterrevolutionary subversive activities. On the one hand, they fabricated and spread rumors and distorted the facts about putting down the Beijing counterrevolutionary rebellion; on the other hand, they blocked traffic in an attempt to cause a work stoppage, paralyze the market and economy, and to bring about confusion in Shanghai. They even went so far as to encourage terrorist activities."

In conclusion, the article stresses: "The CPC Central Committee and State Council have always supported Shanghai in the entire course of handling the student movement and stabilizing the city. Without the correct leadership of the Central Committee and State Council, or the clear-cut decision by Beijing, it would have been impossible for Shanghai to put down the turmoil in the city, and stabilizing the city's situation would have been unimaginable."

#### **Shanghai Tightens Control of Commodity Prices**

OH 1989/24189 Shanghai City Service in Mandarin  
0800 GMT 13 Sep 89

[From the "News and Weather" program]

[Text] The Shanghai Municipal People's Government recently approved and circulated the suggestions made by the municipal Bureau of Commodity Prices on improving and strengthening management of prices of the commodities that have been decontrolled, calling on commodity price departments and principal operation departments at all levels to make more efforts to provide guidance for prices of the decontrolled commodities, appropriately regulate their rise and fall, and address the commodity price situation, which has fallen in disarray, by means of sound management to promote the establishment of a new order of planned socialist commodity economy.

The suggestions pointed out: Control over the prices and commodities that are of comparatively great importance to the people's livelihood will be relaxed. It is necessary to continue implementing the system whereby industrial and commercial enterprises report to the departments

concerned before they increase their prices. Those who do not submit such a report, which is required by regulations, or make a false report of their cost shall be dealt with in accordance with relevant commodity price laws and regulations. With regard to pricing some important means of production which are not covered by the state plan, as well as a number of decontrolled farm and sideline products, in case it is found necessary, a ceiling on prices will be imposed on the light of the situation of supply and demand and price fluctuations to stabilize the pricing level in the market.

The suggestions pointed out: A system that requires enterprises to obtain a permit or license for fixing their prices shall be implemented step by step among industrial and commercial enterprises that operate in Shanghai Municipality by keeping independent and separate accounts. Such industrial and commercial enterprises include state-run, collective, and privately run enterprises, as well as enterprises that offer shares to employees and the public. Regarding the institutions and units that are not qualified as enterprises in a position to fix prices, their prices shall be fixed by relevant departments in charge of their business operations or commodity price departments on their behalf.

The suggestions also called for strengthened management of and control over the leasing counter's prices, stipulating that the lessee is not allowed to fix prices arbitrarily.

Last, the suggestions made by the municipal Bureau of Commodity Price on improving and strengthening management of prices of the commodities that have been decontrolled stressed the necessity to supervise and examine the prices of decontrolled commodities. Every operating unit is required to clearly mark prices on all decontrolled commodities. It must specifically show the names, sizes, specifications, grades, places of origin, and retail prices on commodities.

#### **Shanghai Rebuilds Steel Plant Industry**

OH 1989/24589 Beijing XINHUA in English  
1047 GMT 13 Sep 89

[Text] Shanghai, September 13 (XINHUA)—The real estate industry in Shanghai, China's largest industrial city, is back in business after being in abeyance for 30 years.

Sales of house property in China were practically not allowed before 1979, and for years housing was built [word indistinct] local governments or their work units. Though the central government has since 1978 spent 30 billion yuan (about 8.1 billion U.S. dollars) each year on house construction, maintenance and subsidies for rent, there has long been a serious housing shortage. On the other hand, the government can no longer be [word indistinct] heavy financial burden.

In order to get rid of the low-rent, welfare-style housing allocation system, China has been devoting great efforts to introducing commercialization of housing in recent years.

In 1979 Shanghai's Zhonghua Enterprise Corporation for the first time built and sold a number of houses to people who could pay in foreign exchange.

By the end of 1988, some 100 corporations had been set up in Shanghai to construct and engage in sales of commercial housing. Of them, 12 are Sino-foreign joint ventures which enjoy the right of selling their properties outside China.

In 1988 these corporations started constructing 2.8 million sq m of housing for sale. Some 1.01 million sq m were completed, amounting to 20 percent of all the houses built in Shanghai in that year, and 780,000 sq m were sold to recover 500 million yuan (about 162.1 million U.S. dollars) of investment.

Statistics show that Shanghai's real estate industry has already provided two million sq m of housing for sale and accumulated 1.1 billion yuan (about 300 million U.S. dollars). Its foreign exchange earnings have reached 60 million U.S. dollars.

The Shanghai branch of the China Housing Development Corporation and the government of the Yangpu District of Shanghai jointly invested in renovating a block more than five ha in a run-down area inhabited by 1,400 families. The shacks were turned into a modern residential area of high-rise buildings with all necessary fittings.

The Shanghai municipal government has decided to gradually renovate 23 similar blocks.

Yet, compared with house property, the rational use of extensive land property in Shanghai is of more importance.

In 1987 the municipal government tried to reform the land management system which allowed unpaid use of land and issued regulations on paid transfer of land-use rights, under which land can be sold for a long period of time (up to 50 years).

In 1988 Shanghai earned 40 million U.S. dollars by transferring the right through public bidding to (word indistinct) land about 16,500 sq meters altogether in the Hongqiao development to two investors from Japan and Hong Kong for 50 years.

This is just the first step. The municipal government plans to develop an area on the east bank of the Huangpu River into a new urban district by using foreign capital and raising funds from the transfer of land-use rights, which will lay a good foundation for Shanghai's economic development and opening to the outside world in the next century.

**Li Zemin Addresses Zhejiang Literary, Art Group**  
(00 2009/11409 Hangzhou ZHEJIANG RIBAO)  
in Chinese 20 August 89 p 1

[Text] Li Zemin, secretary of the provincial party committee, called on and addressed all comrades attending a conference of the Zhejiang Provincial Federation of Literary and Art Circles on the afternoon of 26 August.

Li Zemin said: Since the 3d Plenary Session of the 11th CPC Central Committee, the situation on Zhejiang's literary and art front has been good. Many good works as well as talented people have made their appearances. Their achievements are great and deserve full recognition. In the recent political struggle concerning the fate of the party and state, our province's literary and art out-angment withstood the severe test, and an overwhelming majority of our comrades conducted themselves well. This is very praiseworthy. But at the same time, we must also clearly realize that we must never underestimate the ideological confusion, danger, and influence caused by the rampant ideological trend of bourgeois liberalization among our province's literary and art circles in recent years. Therefore, upholding the four cardinal principles and deepening the struggle to oppose bourgeois liberalization are primary tasks currently facing our province's literary and art circles.

After reviewing the course of struggle in upholding the four cardinal principles and opposing bourgeois liberalization, Li Zemin pointed out that after traversing a tortuous course, our province's literary and art circles have indeed produced many good comrades who have taken a clear-cut stand in upholding the four cardinal principles and opposing bourgeois liberalization. But because of Comrade Zhao Ziyang's negative attitude toward the policy of upholding the four cardinal principles and opposing bourgeois liberalization, his attack on comrades who uphold the four cardinal principles, and his support to and trust of people who uphold the principle of bourgeois liberalization, the ideological trend of bourgeois liberalization ran rampant in our province. We must seriously sum up and learn from this experience and lesson. Nationwide, the extremely few people in the literary and art circles who had long been stubbornly clinging to ideas of bourgeois liberalization became the plotters and organizers of the recent turmoil and rebellion. In Zhejiang, there are also people in our literary and art circles who have been seriously addicted to the ideas of bourgeois liberalization. We cannot avoid or cover up this situation, but must face reality squarely.

Li Zemin called on party organs and party-member leaders in literary and art circles first to study well the documents of the 4th Plenary Session of the 11th CPC Central Committee as well as Comrade Deng Xiaoping's important speeches, and sum up and reflect conscientiously on experiences and lessons learned from the recent turmoil and rebellion as well as from those learned over the past few years, distinguish between right and wrong, and unify their thinking. He also called on

them to clear away all confusion caused by the ideological trend of bourgeois liberalization to ideas, theories, creation, and performances related to literature and art, as well as to the cultural market, over the past many years. In promoting this work, it is necessary to carry out ideological mobilization and to implement firmly the current policy. Opposing bourgeois liberalization is a protracted task. We must learn from past failures caused by inconsistency or lack of perseverance. It is necessary to take a firm and clear-cut stand and carry out the work from the beginning to the end. It is a major issue of principle. We must never assume an ambiguous or indecisive attitude, nor can we afford to leave the issue unsettled.

Touching on the question of literary and art work in the future, Li Zemin stressed persisting in the orientation of "serving the people, serving socialism" and herding up the literary and art contingent. The orientation of "serving both the people and socialism" is a basic guiding ideology for literary and art work in the new period proposed since the 4th Plenary Session of the 11th CPC Central Committee after summing up historical experiences and inheriting our revolutionary tradition and literary and art work. This orientation must be thoroughly followed. Party-member literary and art workers are first party members and then literary and art workers. They must uphold the party's beliefs, aims, positions, and affections, which are also issues related to the political orientation. It is necessary to handle correctly the relationship between literary and art work and life. Writers and artists must delve deep into reality, make contacts with workers and peasants, and produce outstanding works that are worthy of our times. Building up a literary and art contingent means not only raising its professional quality, but more importantly, its political and ideological quality.

Li Zemin also stressed that upholding the principle of "let a hundred flowers bloom and a hundred schools of thought contend" is consistent with upholding the four cardinal principles. The two should not be pitted against each other. "Wiping out pornography" is for the purpose of promoting literary and art undertakings in a healthy environment. There is no contradiction between wholeheartedly relying on the working class and bringing the role of intellectuals into full play. Intellectuals are a part of the working class. The party's policy toward intellectuals has not been changed, nor will it be changed. He earnestly called on our province's literary and art circles to uphold the four cardinal principles, strengthen unity, work hard, and make contributions in bringing prosperity to our province's socialist literary and art endeavors and in promoting the two civilizations.

The meeting of the provincial Federation of Literary and Art Circles was held from 21 to 27 August. Its main tasks are further implementing guidelines of the 4th Plenary Session of the 11th CPC Central Committee and studying Deng Xiaoping's important speeches, discussing the upholding of the four cardinal principles in

light of reality, opposing bourgeois liberalization, summing up, reviewing, and exchanging experiences, and improving work. Luo Dong, Standing Committee member of the provincial party committee and director of the provincial Propaganda Department, spoke at the meeting. Attending the meeting were Huang Yuan, Tang Xiangqing, and Gu Xidong, vice chairmen of the provincial Federation of Literary and Art Circles, Yuan Yifan and Yuan Liansheng, respectively secretary and deputy secretary of the party organ of the provincial Federation of Literary and Art Circles, and responsible persons of the various writers and artists associations, prefectural and city federations of literary and art circles, and units and departments under the provincial federation of literary and art circles, totaling more than 70.

#### **Zhejiang People's Congress Session Closes 5 Sep**

*(DH 2003/104500 Hangzhou Zhejiang Provincial Service in Mandarin 1900 GMT 5 Sep 93)*

[Text] The 11th Session of the 7th Zhejiang People's Congress Standing Committee closed this afternoon. Wu Minde, vice chairman of the Standing Committee, presided over the session. The session adopted the resolution of the Standing Committee on resolutely cleaning up and rectifying companies. The resolution called on the provincial people's government to implement earnestly the decision made by the party Central Committee and the State Council to further clean up and rectify companies, and adopt even more determined and effective measures to carry out firmly the work of cleaning up and rectifying companies in a down-to-earth manner. The resolution pointed out: Efforts must be made to do a good job in cleaning up and rectifying those companies run by the provincial people's government and the various provincial-level departments. A special report must be submitted to the Standing Committee of the provincial People's Congress on how the work of cleaning up and rectifying companies is being carried out. It is essential to quicken the pace of auditing the Great Southeast Co. Ltd. and other companies with widespread influence, and publicize the results of the auditing work on the basis of the auditing regulations. Efforts must be made to investigate thoroughly and handle seriously according to law the major and important cases that have cropped up in the course of cleaning up and rectifying companies, particularly those that involve trading cadres at and above the county level or their spouses and children, no matter who they are. Those cadres in state organs who concurrently work for companies must resign from either position by the end of October. Actions will be taken against those who try to delay their action with any type of excuse. Those who try to obstruct the work of cleaning up and rectifying companies should be fully exposed and seriously dealt with.

Prior to the adoption of this resolution, Governor Shen Zulun made a speech. He said: The provincial government has earnestly accepted criticisms from the members of the provincial People's Congress Standing Committee, and is determined to do a good job in cleaning up and rectifying companies.







work of seeking unity of thinking and firmly and comprehensively implementing the basic line of "a focus and two basic points" has become a practical task of extreme importance and urgency.

Recently, I read Comrade Deng Xiaoping's three speeches again. I became more aware that Comrade Xiaoping almost predicted the occurrence of the storm and some people's worries and misgivings. Only when we actually grasp the spiritual essence of these three important speeches do we have the basis to discover the problems under the complicated conditions in which opinions vary. In particular, we should make efforts to deepen our understanding about a task of historical significance and several basic viewpoints set forth by Comrade Xiaoping.

A task of historical significance is to think over the past events and the future quietly. Comrade Xiaoping said: "The outbreak of the rebellion is worth thinking about. It prompts us to think quietly about the past and consider the future. Perhaps this bad thing will enable us to go ahead with reform and the open door policy at a steadier, better, and even faster pace. Also it will enable us to correct our mistakes more speedily and better develop our strong points." Here Comrade Xiaoping reminded us to be cool-headed when thinking about questions of major historical and practical importance. Historical experiences showed that the people easily become hot-headed after a large-scale political struggle. In the past, we suffered more hardships from this. In regard to thinking over problems quietly, we should persist in the doctrine that everything has two aspects, avoid approaching problems philosophically or understanding the problems superficially, and stop the practice of hiding or encouraging a tendency while correcting another.

Comrade Xiaoping's requirement for calmly thinking over the past asked us to ponder over things in three fields: 1) We should ponder over the campaign of socialist practices so as to grasp further the orientation of socialist advance and the overall tendency accurately, and to understand further scientifically the international macroclimate. 2) We should ponder over the paths that we have taken in the last decade of reforms and opening to the outside world. On the premise of persistently conducting reforms and opening the country to the outside world, we should scientifically understand our mistakes. 3) We should ponder over the experiences and lessons from this storm and understand the regularity of the storm. The purpose of pondering is to turn bad things into good ones, to promote the progress of reform and the open door policy at a more steady, better, and faster pace, and to correct our mistakes in a faster and better manner. Only by so doing can we avoid judging and handling problems in an isolated, static, and one-sided manner while summing up historical experiences and lessons. We should guard against not only the rightist method of leaving evil trends unchecked, but also the "leftist" method of exceeding the proper limits in righting a wrong. We should be answerable not only to

the present, but also to history. The handling of present questions should facilitate the overall and firm implementation of the basic line of "one focus and two basic points," and should be advantageous to the prospects of the motherland.

In his three speeches, Comrade Xiaoping systematically expounded many major questions centering on this historic issue. What impressed me deeply was:

First, after studying Comrade Xiaoping's exposition that "this storm was bound to happen sooner or later," we should fully understand the long duration of the opposition to bourgeois liberalization.

Comrade Xiaoping said: "This storm was bound to happen sooner or later. As determined by the major international climate and the minor domestic climate, this storm was bound to happen and was independent of man's will. It was just a matter of time and scale." Toward this exposition, the people have paid relatively more attention to analyzing the major international climate and the minor domestic climate. Undoubtedly, it is very helpful to obtain a clear understanding of the nature and significance of this struggle. However, what is more important is that this exposition has revealed a phenomenon of regularity. That is, by taking advantage of the new situations and new problems emerging in the process of carrying out socialist reform, the international capitalist forces and the people advocating bourgeois liberalization within the country echoed each other from afar to practice the tactics of peaceful evolution. This marks the new characteristics of the struggle between the two social systems during the new historical period. Such a struggle will exist throughout the entire process of socialist reform and opening-up. Within our country, such new characteristics will be manifested as the protracted opposition and confrontation between the four cardinal principles and bourgeois liberalization. Internationally, such new characteristics will be manifested as the protracted fight and contest between infiltration and anti-infiltration. For this, we must have sufficient ideological preparation. Only when we approach the characteristics of this struggle from such a historical high plane can we avoid the short-sighted behavior in political construction and have a firm grasp of the adherence to the four cardinal principles and the opposition to bourgeois liberalization by regarding them as a protracted basic construction.

Second, we should study Comrade Xiaoping's unchangeable exposition of "one focus and two basic points," and implement the party's basic line in an even more resolute manner.

The three speeches of Comrade Xiaoping consistently stressed that there would be no change in the party's basic line. Comrade Xiaoping pointed out: The reason why there cannot be any change in this basic line is that we have not committed any mistakes. During the past 10 years, there has been a fairly satisfactory rise in the standards of living, and it may be said that we have

moved one stage further. Throughout his speeches, he repeatedly stressed that there would be no change in the policy of reform and opening-up even after several decades. The line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee cannot be changed even by a single sentence, and the political report adopted by the 13th party congress cannot be changed even by a single word because it was adopted by the party congress. Now, all disputes should be stopped, at least for 2 years. He also called on new leading organs to do something about reform and opening-up to prove that at least they adhere to reform and opening-up and actually implement the policy of reform and opening-up laid down since the 3d Plenary Session of the 11th CPC Central Committee. By so doing, they will set the people's minds at rest. Since the 4th Plenary Session of the 13th CPC Central Committee, the party Central Committee has also repeatedly defined that there would be no change in the line of "one focus and two basic points." Then, why do the people still have many worries and disputes? We can only earnestly think about this question.

Recently, when people were talking about "no changes," they often talked more about the two basic points and less about the "one central task." This is exactly an issue of fundamental importance. After the 3d Plenary Session of the 11th CPC Central Committee, our party clearly pointed out that after the socialist transformation was completed, the major contradiction we had to resolve was that between the ever growing material and cultural needs of the masses and the backward productive forces. Therefore, the work focus of the party and state should be shifted to socialist modernization centering on economic construction. We should never divert ourselves from this focus except when large-scale invasion by foreign enemies occurs. After the political struggle, when we talk about making no changes, we mean above all that our analysis of the basic social contradiction and our designating economic construction as the central task on the basis of the analysis will not change. The struggle has indeed proven that due to domestic and international factors, class struggle still exists within a certain scope and will possibly be sharpened under certain conditions. We should bear firmly in mind this lesson learned at the cost of blood, and intensify education to enhance the class ideology and class consciousness of the people, in particular the younger generation. However, despite the recent turmoil, the basic analysis that class struggle is no longer the current major contradiction of society cannot be shaken. This requires us to oppose both the viewpoint that class struggle has died out and the viewpoint that class struggle is the key link. Otherwise, social stability and unity will also be endangered. Generalization of the concept of class struggle will make the theory of the so-called continued revolution under the dictatorship of the proletariat, which takes class struggle as the key link, gain ground again. This will not only interfere with and hinder economic construction, which is the central task, but will also easily lead to

confusion in the people's ideas about the line laid down since the 3d Plenary Session of the 11th CPC Central Committee.

The most essential idea of the "one central task and two basic points" is the development of productive forces. The two basic points should serve the fundamental task. Adherence to the four cardinal principles is the foundation for building the country, and reform and opening up are the road leading to the strength and prosperity of the country. Divorced from the four cardinal principles, reform and opening up will lack a correct orientation, and divorced from reform and opening up, the superiority of socialism will not be developed. These two fields of work supplement each other, and not one of them will develop at the expense of the other. With regard to the problem that the four cardinal principles were not adhered to consistently enough, party committees at various levels are adopting measures to solve it. Meanwhile, we should also exert down-to-earth efforts to solve the problem that reform and opening up were not adequate. Recently, there was indeed some confusion in the people's ideas about reform and opening up. Some people said that we should be cautious in enforcing the enterprise contract system, in popularizing the plant director responsibility system, in implementing the "enterprise law," in carrying out incorporation of enterprises, and in developing border trade. If we remain cautious in all these fields, it is possible that we may waver from these fields of work, which will lead to a de facto stagnation of reform and opening up. Some people misinterpreted strict management of tax collection as a change in the basic policy on developing the various sectors of the economy on the premise that public ownership remains dominant, and they had many misgivings about the development of the individual and the private economies. There was even a downward trend in the development of these economies. Leading persons at various levels should remain highly vigilant against these problems and bravely advocate that the basic principles and policies of the party will remain unchanged. Abstract affirmation and concrete negation, and a drastic measure for negation of the line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee will never be permitted. We should take realistic steps to establish a reform- and opening-advocating image of the party and government to truly set the people's minds at rest.

Third, we should study Comrade Xiaopeng's expositions on the ideology of economic development strategy, and decisively eliminate the difficulties in the current economic activities.

In his three important speeches, Comrade Xiaopeng's expositions on the ideology of economic development strategy included the following. First, the speeches pointed out that the goal of "three-step" development strategy is not a "leftist" determination nor an excessively urgent objective. It is possible to realize this goal. Second, the speeches suggested studying a strategic development plan for the first half of the next century,

adopting effective steps to strengthen the development of basic industry, transportation, and agriculture, and ensuring a sustained economic growth rate. Third, the speeches clearly stressed the necessity of continuously persisting in the principle of combining the planned economy with the market economy. This principle must not be changed. At the time of readjustment, we may strengthen or pay more attention to the planned economy. However, at another time, we may pay more attention to market regulation so as to further enliven the economy. From now on, we will continue to persist in the principle of linking the planned economy with market regulation. It is important to be sure not to build China into a country that is close to the outside world. Fourth, the speeches stressed that there must be no economic landslide. We should make positive efforts to register a speed that can be attained and adopt the method of cutting the Gordian knot to eliminate the difficulties in economic activities. We must not delay the work any more. If we fail to eliminate difficulties that should be eliminated, it will cause delay in work. Comrade Xiaoping's important ideologies tally with not only our national situation, but also with our provincial situation. According to Comrade Xiaoping's ideologies and in line with the current economic contradictions and problems, we must clearly understand the following few tasks. First, even under the conditions of improving the economic environment and rectifying the economic order, we should notice both difficulties and potential for development and must not simply regard the improvement of the economic environment and the rectification of the economic order as an economic decline, nor totally regard the slowdown of development as a normal phenomenon. Our economic growth rate has not been high. So, we should make positive efforts to ensure a proper economic growth rate on the premise of increasing economic results. Second, we should continue to eliminate the tendency of conducting short-term economic activities, firmly give priorities to some industries, compensate the industries that affect the economic development and the industries of energy resources, raw materials, and transportation and strengthen basic industries and agriculture. Third, the principle of linking the planned economy with the market economy must not be changed. In the current practice of improving the economic environment and rectifying the economic order, paying more attention to the planned economy is essential. However, by no means should we restore the highly-concentrated unitary planned economic system. "Flipping the sesame seed cake" [the excessive changes of measures] will certainly bring about confusion to the overall economic life. Herein lies the meaning of Comrade Xiaoping's exposition on having no controversies within the next 2 or 3 years. Fourth, the many difficulties in the current economic activities should be solved in line with the method of cutting the Gordian knot. We should firmly believe the correctness of the principle of improving the economic environment, rectifying the economic order, and deepening reforms as laid down at the 3d Plenary Session of the 13th CPC Central Committee and the necessities of the major measures adopted

by the central authorities, firmly safeguard the authority of the party Central Committee and the State Council and ensure the enforcement of orders and prohibitions. In this period, we should place particular emphasis on the spirit of taking the overall situation into consideration and should not hesitate to make the necessary sacrifice in order to fulfill the task of improving the economic environment and rectifying the economic order.

Fourth, we should study Comrade Xiaoping's exposition that "the biggest mistake during the last decade was education." scientifically solve the problems concerning handling affairs with hard tactics in one hand and soft methods in the other, and realistically strengthen ideological and political work.

Comrade Xiaoping pointed out: The most serious mistake we committed during the past 10 years lies in education. Here, I primarily mean the ideological and political education, which does not merely cover schools and young students, but also covers the entire population. With regard to the content of education, Comrade Xiaoping emphatically dwelt on two problems. First, we have failed to regard the four cardinal principles as the basic ideology, and failed to use this basic ideology to educate the masses and young students, as well as the vast number of party members and cadres. Second, we have seldom conducted the education on China's condition and the arduous pioneering work. So far as the specific work is concerned, the major mistake lies in the inconsistent adherence to the four cardinal principles and the negligence in educational, ideological, and political work. During the past 10 years, in carrying out reform and opening-up, we have actually neglected the ideological and political education. In particular, owing to Comrade Zhao Ziyang's mistakes in the guiding ideology, the party's ideological and political work has been seriously weakened by the advocacy of "de-emphasizing" [jian hua] and "reform," and the line of the ideological defense of the "four adherences" have been defeated step by step, leading to the unchecked spreading of the ideological trend of bourgeois liberalization. This is really a bitter lesson. After studying Comrade Xiaoping's expositions in this regard and pondering over the mistakes in our work, I feel that two matters should attract our attention. First, we should strengthen the positive education guided by Marxism. Over the past few years, we have frequently laid undue emphasis on the ideological and political work concerning a certain matter at a certain period, and have paid attention to the work of showing concern over, comprehending, and protecting the people. Naturally, it is correct and necessary. However, we have often neglected the fundamental matter of educating the people in Marxism. In particular, we have neglected the systematic education in the four cardinal principles and de-emphasized the political nature of the ideological work. In addition, we have often paid more attention to persuasion and less attention to imbuing the people with Marxism, and have paid more attention to touching the



people with emotion and less attention to constructing the people with truth. Worse still, we have even tended to replace the ideological work with material incentive, which has vulgarized the ideological and political work. In strengthening ideological and political work, we must understand that the people are the most active and vivid factor among the various elements of productive forces. The target of the ideological and political work is the people, and the purpose of the ideological and political work is to foster a generation of new-type people who have lofty ideals, moral integrity, cultural accomplishments, and the sense of discipline. Fully mobilizing the people's initiative and comprehensively improving the people's quality is not only the first task to promote the development of the social productive forces, but also the capital project for building a prosperous, strong, democratic, civilized and modernized socialist country. Second, we should scientifically solve the problem of "being hard on the one hand, but soft on the other." As stressed by Comrade Xiaoping, the problem of "being hard on the one hand and soft on the other" means being hard on reform and opening-up but soft on the ideological and political work. Regarding the direction of implementing the party's basic line and promoting the socialist modernization drive, it cannot be said that there is no need to strengthen reform and opening-up. In fact, we have not done nearly enough in carrying out reform and opening-up. In this sense, both the reform and opening-up and the ideological and political work should be strengthened. By solving the problem of "being hard on the one hand and soft on the other," we mean making the best possible use of favorable conditions to make up for the losses caused by the shortcomings, but do not mean cutting the favorable conditions to make up for the losses caused by the shortcomings. In other words, we should never make up for the ideological and political work by weakening the reform and opening-up. If such a case emerges, it means a failure in the guiding ideology for solving problems.

Fifth, we should study Comrade Xiaoping's exposition on concentratively grasping party building, and do some things to the satisfaction of the people in punishing the corrupt in order to win the people's confidence and restore the prestige of the party.

One of the problems Comrade Deng Xiaoping touched on most in his three speeches was the problem of fighting corruption. While talking about the seriousness of corruption, Sun Weiben pointed out: "Corruption is not confined to only those corrupt phenomena we usually talk about. It became one of the important instigators of so many people during this turmoil. While talking about the corruption problems, which have not been conscientiously solved for a long time, he said: Perhaps, the reason lies in the party. In referring to the thinking of solving the corruption problem, he said that new leaders should attend to this problem first. He said: We should resolutely grasp this work and punish those who should be punished regardless of who they are. We should deal with them the way we should in order to win popular

support. Leading cadres should set examples in pioneering a new cause through hard work and opposing corruption. In view of the seriousness of the corrupt phenomena inside the party, Comrade Deng Xiaoping said earnestly that we should concentrate our attention on grasping party building, that this party should grasp the party building work now, and it would not work without attending to this work. With regard to Comrade Xiaoping's exposition, we must conscientiously study and understand it well in order to enhance our understanding of this problem to a new level. We should make clear that opposing corruption is a banner which the Communist Party has persistently upheld. For the past half century, we have always considered this as the basic problem in party building. With regard to the point that many bad things inevitably come to China after reform and opening-up, Comrade Xiaoping has never underestimated it. He has always stressed that we should inherit the fine traditions of pioneering a new cause through hard work. So, where were our problems? The main problem was that during recent years, in face of the commodity economy, some party members and cadres slackened their efforts in ideological transformation and were confused in their concept of value. Money worshiping and feudalism have taken advantage of this opportunity to enter the people's minds. The retreat in the party's defense line on revisiting the feudal and capitalist decadent ideology and Comrade Zhao Ziyang's advocacy that corrupt phenomena were unavoidable during the early period of the development of the commodity economy made it difficult for the party to overcome corruption and strengthen administrative honesty effectively. As a result, the corrupt phenomena inside the party began to spread unchecked and finally became the source of gossip for some people who advocated bourgeois liberalization in an attempt to instigate the people, create turmoil, and attack us. After this struggle, we should recall the painful experience. We should hold aloft this banner and greet the people with a new image by resolutely fighting corruption. This is the most important point for winning support from the masses and regaining the party's prestige. In studying Comrade Xiaoping's speeches, I feel that we should not independently consider this problem as it stands. We must understand and deal with this problem by realistically advancing our work from the overall situation of regaining the party's prestige. We must have the spirit of "being determined to decapitate General Ma Su while showing sympathy for him" for the sake of the overall interests and image of the whole party. We must do a good job in passing this test. With the support and supervision of the broad masses of people, we should make use of the macroclimate, which the party Central Committee has created for us, to grasp rapidly the work of fighting corruption until good results are achieved.

Sixth, we should study Comrade Deng Xiaoping's demands of "being lenient in two fields," "cutting away prejudice in two fields," and establishing "two images," and strengthen the building of leading bodies at all levels.



Comrade Xiaoping said that new leading organs should have a very broad field of vision and a very broad mind. He also said: When appointing people, we should cast away all prejudices and look after those who the people believe adhere to the line of reform; we should cast away personal feelings when selecting people and also use those who have once opposed us, and with regard to the issue of selecting people, we should pay attention to public opinion in society, refrain from being swayed by our personal feelings, handle this issue with the demeanor of a statesman, and never establish small factions or groups. He repeatedly stressed that the new leading collective should be realistic, carry out solid work, and establish an image of advocating reform and opening up and an image of punishing corruption. These remarks of Comrade Xiaoping clearly indicated an orientation for us to strengthen leading bodies and the work related to cadres. In studying these expositions of Comrade Xiaoping, we should first of all take the public opinion of the people as the fundamental basis and truly place the outstanding cadres capable of firmly implementing the party's basic line in leading bodies at various levels. When evaluating and selecting cadres, we should solve the problem of selecting with a narrow field of vision and through a unitary channel. On the premise that the principle of the party managing the cadres is adhered to, we should further improve the system of democratic appraisal and recommendation of cadres, broaden as much as possible the field of vision for understanding cadres and the channel for selecting cadres, and ensure that the cadres selected truly reflect the public opinion of the people. Second, the problem of diversity of leading bodies should be conscientiously solved through both education conducted on a regular basis and necessary organizational adjustments. In the past few years, due to the infiltration of the principle of commodity exchanges into the political life within the party, frictions related to power and interest increased and the period in which a leading body could work in cooperation shortened, thus causing losses to the party's cause. We should examine ourselves against the ideas of "being lenient in two fields" and "casting away prejudice in two fields" as put forward by Comrade Xiaoping, educate cadres with these ideas, step up efforts to

raise the political and ideological levels of leading bodies, improve the democratic centralism of leading bodies and the dual organizational activities of the members of the leading bodies, and solve the problem of diversity through more efforts to improve the quality of a leading body as a whole. Third, we should regard the "two images" as the fundamental requirements on improving leading bodies. Comrade Xiaoping's call for establishing "two images" represented a demand on all leading bodies of the party. Taking the initiative in safeguarding the authority of the Central Committee with Comrade Jiang Zemin as the core, maintaining a high degree of unity with the Central Committee and exerting concerted efforts to establish the "two images" constitute the highest organizational principle for the present and the greatest political test for leading bodies at every level, and are where the fundamental interest of the party and state lies. We should exert efforts from various fields to enable our leading bodies at various levels to establish the "two images," and facilitate the building of the party itself and the rapid development of the party's cause.

The aforementioned one historical task and six basic viewpoints are a superficial understanding gained in the process of studying Comrade Xiaoping's three speeches. Comrade Xiaoping's speeches deal with very wide-ranging issues, are very rich in content, and have many issues to be further studied and understood both comprehensively and thoroughly. The three speeches of Comrade Xiaoping embody throughout the doctrine that everything has two aspects, gladden with the brilliance of material dialectics, and provide us an example in studying and resolving practical issues with a Marxist stand, viewpoints, and methods. If we not only master Comrade Xiaoping's basic ideas and basic viewpoints, but also learn his scientific and dialectical way of thinking when studying his speeches, it will be possible for us to clarify our misgivings in thinking in the current complicated situation, unify the thinking of the entire party, become firm, clear-headed leaders with accomplishments, implement the basic line of "one central task and two basic points" more resolutely and comprehensively, and make Heilongjiang's work more successful.

### U.S. Stand Welcomed on Organization Membership

OH 2209194300 Taipei CNA in English  
1543 GMT 22 Sep 89

[Text] Taipei, Sept. 22 (CNA)—The Republic of China Government welcomes the United States suggestion that the ROC join the proposed Pacific Economic Cooperation Organization, the Foreign Ministry said Friday.

A ministry spokesman pointed out that the ROC is willing to actively participate in international affairs and to share more international responsibilities.

The U.S. proposal was disclosed by Assistant Secretary of State Richard Solomon in testimony before the Senate Subcommittee on East Asia and Pacific Affairs. He also said that Hong Kong and the China mainland should also be included in the Pacific Basin forum.

The regional economic cooperation organization was first proposed by U.S. Secretary of State James Baker and then strongly seconded by Australian Prime Minister Robert Hawke. In the early consultations, however, the membership was to be limited to the six ASEAN nations, the U.S., Japan, Australia, New Zealand, Canada and South Korea.

The spokesman said that the U.S. support for the Republic of China's participation in the regional organization could mean that the ROC's economic success and strong trade potential would help regional economic cooperation.

He noted, however, that the ministry must learn more about the U.S. proposal in order to respond appropriately.

The Pacific Basin forum is scheduled to hold its first ministerial meeting in Canberra in November. The United States suggested that the ROC participate in the meeting as observer.

A Foreign Ministry source disclosed that the government would actively prepare to participate now that the U.S. has indicated its support.

### Government Attempts To Narrow U.S. Trade Gap

#### Tariff Reductions To Continue

OH 2409211180 Taipei CNA in English  
1556 GMT 24 Sep 89

[Text] Taipei, Sept. 24 (CNA)—The Republic of China will continue to cut tariffs and diversify export markets in coming years in order to narrow its trade surplus with the United States, which may hit 12 billion U.S. dollars in 1989.

The anticipated tariff reductions have been listed in the Finance Ministry's four-year timetable, starting in 1989.

In line with the established economic liberalization policy, the ministry in August reduced import tariffs on 4,738, or 61 percent, of import items.

Averaging 23 percent cut, the tariff reductions, the largest ever, were well received. "It will be instrumental in lessening import costs and thus expanding imports," said a Finance Ministry official.

As part of the Republic of China's two-prong policy to minimize its trade surplus with the United States, ROC manufacturers have done all they can to diversify markets abroad.

Yang Shih-chen, director general of the Industrial Development Bureau, cited statistics to explain the efforts.

The Republic of China exported 39.7 billion U.S. dollars' worth of goods in 1988, a growth of 12.7 percent from 1987, Yang said. Exports to the United States dropped one percent, while shipments to the rest of the world all registered significant growth, Yang noted.

Exports to Southeast Asia, for instance, rose 39.8 percent, followed by Japan, 25.6 percent, and Europe, 24.3 percent.

During the January-July period this year, ROC manufacture exports to the United States grew a mere 3 percent, far behind export growth to Southeast Asia, 34.5 percent, Japan, 11.8 percent, and Europe, 15.7 percent.

### Widening Trade Surplus Explained

OH 2509041180 Taipei CNA in English  
0213 GMT 25 Sep 89

[Text] Taipei, Sept. 25 (CNA)—A ranking economic official said that the Republic of China is actively implementing its trade guidelines vis-a-vis the United States in the hope that the serious trade imbalance between the two countries will be improved.

"With this effort, even if the current Sino-American trade gap can not be 'handsomely' narrowed, the Republic of China's sincerity should win the United States' understanding," Vincent C. Siew, spokesman for the cabinet's ad hoc ROC-U.S. Trade Committee claimed.

During the first eight months of this year, the Republic of China posted a 8.06 billion U.S. dollar trade surplus with the United States, up 26.5 percent from 1988.

The trade surplus, however, dropped compared with 1988 if its gold purchases from the United States were not included, Siew said. He would not specify the value of the gold the nation purchased from the United States in 1988.

Siew, saying several big purchases from the United States are expected to be struck by the end of this year, believed that the trade surplus would not grow beyond the target.

According to Siew's prediction, the nation's trade surplus with the United States would drop 10 percent in 1989 to 12 billion U.S. dollars.

Now attributed the widening trade imbalance with the United States during recent months to both the June 4 Tiananmen incident in Peking and the continuing strikes in South Korea which has forced foreign buyers to shift their orders to Taiwan.

He stressed, however, that the increase of foreign orders would soon end.

### U.S. Officials 'Happy' With Videotape Crackdown

OH 2/00040289 Taipei CNA in English  
0215 GMT 24 Sep 89

[Text] Taipei, Sept. 23 (CNA)—Government Information Office (GIO) officials will report on GIO efforts to crack down on illegal MTV (music television) centers at the intellectual property rights talks with the United States scheduled for Sept. 28-29 in Washington, D.C.

GIO sources said the U.S. negotiators were happy with the Republic of China's (ROC) crackdown efforts in recent few months.

They said Deputy Director General Liao Cheng-hao and Ho Nas-qi, a GIO section chief, will brief the U.S. delegates on the GIO's success in protecting the copyrights of U.S. videotape producers.

Ho said that since May 11, the number of MTV centers has declined from 649 to 309, and the Taiwan provincial government confiscated 50,000 videotapes between Aug. 15 and 31 alone.

MPEAA (copyright unknown), the New York-based moviemakers association, said Sept. 11 that it was satisfied with ROC efforts in cracking down on the illegal showing of U.S. videotapes.

MPEAA was also confident of an ROC Government commitment that only legal MTV centers will be permitted by the end of this year, GIO officials said.

As long as Taiwan's MTV shop owners are sincere in trying to acquire authorization from the eight major U.S. companies to show their products here, the right will be happy to grant it, according to MPEAA's Taiwan representative Huang Chih-hua.

The eight U.S. companies are currently studying technical problems involved in selling copyrights to Taiwan businessmen, Huang noted.

The MTV owners here are also organizing their own union to negotiate with the eight U.S. companies on the copyright issue, according to business sources.

### Jan-Aug Trade With U.S., Canada Decreases

OH 2/000401289 Taipei CNA in English  
0022 GMT 23 Sep 89

[Text] Taipei, Sept. 23 (CNA)—The Republic of China's (ROC's) overall trade transactions with North America in the January-August period of this year totaled more

than 26.05 billion U.S. dollars, officials of the Board of Foreign Trade (BOFT) said.

The officials said that in the eight months, the two-way trade with North America showed a decrease of 6.75.6 million U.S. dollars or 2.5 percent, compared with the total of 26.73 billion U.S. dollars in the corresponding period of last year.

Statistics released by the Inspectorate General of Customs and the private Euro-Asia Trade Organization indicated that the ROC's bilateral trade with North America accounted for 32.8 percent of the country's global trade transactions hitting 79.49 billion U.S. dollars in the same months.

North America consists of Canada and the United States. America is the ROC's top trading partner, the BOFT officials noted.

Outbound shipments from the ROC to North America were worth over 17.60 billion U.S. dollars in the eight-month period, up by 589.4 million U.S. dollars or of 3.2 percent against the 16.76 billion U.S. dollars in the corresponding months a year before.

North American exports to Taiwan totaled 9.75 billion U.S. dollars, down sharply by 1.21 billion U.S. dollars or a drop of 12.2 percent from the 1988 level of 9.97 billion U.S. dollars.

### Commentary Views Mainland Dissidents' Conference

OH 2/000130009 Taipei International Service  
in English 0200 GMT 24 Sep 89

[Station commentary "Worldwide Mainland Dissident Conference Opens"]

[Text] Mainland Chinese dissidents from around the world have congregated in the Sorbonne, France, for a conference aimed at rekindling the pro-democracy movement in their Chinese mainland homeland. Most of the dissidents are self-exiled refugees who escaped the bloody crackdown in Tiananmen Square on 4 June. Many of them fled the mainland via an underground railroad and have since been offered asylum in Western countries.

The conference will take place against the backdrop of the continuing crackdown on pro-democracy dissent on the mainland. The dissident leaders hope to rally worldwide support for their cause, first among Chinese Chinese and second among foreign governments, which they hope will put increasing pressure on Peking to end the crackdown.

But the main purpose of the French meeting is to unite the various dissident groups around the globe into a single lobby. Leaders from the various movements will attempt to elect a chairman and write a charter. The charter will likely call for a democratic, federated China consisting of the mainland, Taiwan, Hong Kong, Macao,

and Tibet. The organization will call itself the Front for a Democratic China, or FDC for short.

One dissident leader, Wan Jun-nan, a businessman, said that the new organization will hope to take off where Teng Huao-ping leaves. Yen Chia-cho, a famous writer, added that the group will work outside the Communist Party in a peaceful way to bring about change at home. But others disagreed, saying that because many communist officials were opposed to the crackdown and the hardline policies of Li Peng, they too would represent an opportunity to bring about reform from within.

Altogether, the 3-day congress will be attended by some 150 Mainland Chinese dissidents. Most of them started up anti-Peking groups in the wake of the Tiananmen massacre. They hail from Hong Kong, Taiwan, the United States, Europe, Japan, Canada, and Australia.

The breadth of the Mainland Chinese dissident movement is enough to have Peking stark worried about its potential. In the past, anti-Chinese Communist organizations were fragmented and mostly harmless to Peking. The regime has always said it could afford to ignore the few bad apples who have—as Peking puts it—betrayed their homeland by running away. But that ignorant, hateful propaganda line will certainly give way to real fears once the exile dissident movement gathers steam. Peking has never had to face anything like it, and for that matter, neither have foreign governments.

As one dissident said on Friday, if we succeed in finding a common ground between the different political groups attending the meeting, the FDC will be the only movement capable of facing off with Peking. There could not be more truth in that, and Peking is sure to know it. Peking's days of ignoring dissent, or otherwise crushing it, are coming to an end. The Front for a Democratic China will prove that.

#### **Dominican Prime Minister Charles Continues Visit**

##### **Meets President Li**

OW 2209194589 Taipei CNA in English  
1602 GMT 22 Sep 89

[Text] Taipei, Sept. 22 (CNA)—President Li Teng-hui received visiting Commonwealth of Dominica Prime Minister Mary Eugenia Charles Friday at the Presidential Office for wide-ranging talks.

President Li expressed his concern for Prime Minister Charles who broke her shin bone two days ago in the hotel she stayed. He wished his guest an early recovery.

President Li was also concerned about typhoon damage in the Caribbean nation. He hoped rehabilitation work in the Commonwealth would be completed as soon as possible.

Charles expressed her gratitude for the hospitality the ROC Government had extended to her. She also said

that ROC citizens are welcome to invest in or make sightseeing trips to her country.

##### **Departs 23 Sep**

OW 2409071889 Taipei CNA in English  
1434 GMT 23 Sep 89

[Text] Taipei, Sept. 23 (CNA)—Prime Minister Mary Eugenia Charles of the Commonwealth of Dominica, who has largely recovered from a fractured shin bone, left for home in high spirits Saturday.

Still confined to a wheelchair, the prime minister told her hosts at the airport that she was grateful for the good care extended to her by Republic of China (ROC) doctors and government leaders. She said she was impressed by the ROC's high standard of medical service.

Charles arrived in Taipei on Sept. 15 for a six-day visit during which she met with ROC Government leaders to discuss ways of promoting bilateral ties.

But in the evening of Sept. 18, she tripped and broke her left shin bone in her hotel room after attending a party hosted by Premier Li Huan in her honor at the Grand Hotel.

A scheduled military send-off ceremony was replaced by a cocktail party to bid farewell to Prime Minister Charles and her entourage. Foreign Minister Lien Chan and other ranking ROC Government officials were on hand to see her off at the airport.

##### **Government, Saudi Arabia Reaffirm Friendly Ties**

OW 2409071909 Taipei CNA in English  
1611 GMT 23 Sep 89

[Text] Taipei, Sept. 23 (CNA)—Foreign Minister Lien Chan and Saudi Ambassador to the Republic of China (ROC) Ayad 'Abd al-Aziz al-Zuhayr reaffirmed Saturday that friendly relations between the two countries will continue on the existing solid foundation.

They said in a party celebrating Saudi Arabia's national day that both countries share the same political ideals and have enjoyed longstanding friendship.

Addressing the gathering, al-Zuhayr said his country enjoys very good cooperative relations with the Republic of China which he believes will be further strengthened in the years to come.

Minister Lien said the Kingdom of Saudi Arabia has since many years ago played a key role in promoting solidarity among Middle East countries and settling regional [words indistinct] winning high respect in the international community.

At the same time, Saudi Arabia has been dedicating itself to improving the living standards of their people. Lien cited the kingdom's five year economic plan whose huge investment aims at increasing agricultural production to decrease dependency on [words indistinct].



Participating in the party were top ROC Government leaders like Premier Li Huan and Judicial Yuan President Lin Yang-Kang and foreign diplomats stationed in Taipei.

#### **Jan-Jul Trade With USSR, East Europe Increases**

*(DH 210801/NW Taipei CNA in English  
0801) GMT 20 Sep 89*

[Text] Taipei, Sept. 20 (CNA)—Republic of China exports to Eastern Europe for the first seven months of this year increased faster than those to any other area, as did imports from the region, and the Soviet Union has become the nation's number one trading partner in East Europe, according to the Board of Foreign Trade (BOFT).

BOFT officials said statistics reflect the East European markets have high potential for further development. According to BOFT statistics, trade between the island and eight East European nations, including the Soviet Union, for the seven-month period rose 41.7 percent to 135.4 million U.S. dollars. Of the total, exports to East Europe stood at 77.5 million U.S. dollars, an increase of 50 percent from the same period of last year, while

Taiwan imported 257.9 million U.S. dollars worth of goods from the area, up 38 percent.

The officials said the sharp increase reflects the effectiveness of the government's policy and measures to develop East European markets, as well as local manufacturers' increased efforts in the area. They predicted trade with East Europe will grow still more as the government further relaxes restrictions.

BOFT statistics also showed trade between Taiwan and the Soviet Union hit a record 97.2 million U.S. dollars for the January-July period, seven times more than that for the same period of last year. The high performance is a direct result of the visit to the socialist giant by a local trade delegation in September 1988, the first local trade group to visit there in 40 years, the BOFT said, adding that the government relaxation of policy toward trade with the Soviet Union also helped bring about a trade boom.

The BOFT noted that despite a surge in trade between Taiwan and East Europe, trade with the area represented a mere 0.47 percent of Taiwan's total foreign trade, with exports accounting for 0.2 percent, while imports represented 0.8 percent.

## Hong Kong

### NOV Group Pledges To Speed Repatriation

HK24080/20689 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Sep 89 p.1

[By Simon MacKinn]

[Text] Vietnamese officials visiting Hong Kong have pledged to speed up the voluntary repatriation process so that several hundred boat people could return home from Hong Kong each month.

A delegation of four officials from Hanoi pledged to try and increase the rate of departures from the territory and spelt out steps already being taken by their Government.

Among the measures being considered by Hanoi are steps to find a larger reception centre to process returnees when they arrive back in Vietnam.

Officials in the capital have been in touch with provincial party officials and asked them to speed up the verification of lists of potential returnees sent by the United Nations High Commissioner for Refugees (UNHCR).

The provincial authorities visit the families of the returning boat people and verify their identity before notifying Hanoi.

But UNHCR staff say there is a "bottleneck" in the process because it takes several months for provincial authorities to respond.

It is understood the Vietnamese Ministry of Home Affairs has been looking at a number of sites around the capital which could be used to house up to several hundred returnees at once.

The last three batches of boat people to be returned to Hanoi have been temporarily held in the Sao Son agricultural college close to the city's airport.

But only about 120 boat people can be housed in the college at one time and sometimes even less space is available when the college is being fully used by agricultural students.

The Intergovernment Committee for Migration (ICM), which organises the flights home, hopes to send back up to 230 boat people next month in two chartered Boeing 737s.

It is expected that planes belonging to Hong Kong's second carrier, Dragonair, will be used for the two flights, which will probably be at least one week apart beginning on about October 12.

The Regional Representative of the ICM, Dr Alfred Kottek, said he was convinced of the Vietnamese authorities' sincerity in trying to speed up the voluntary repatriation process.

Dr Kottek said there were still many bureaucratic problems in Hanoi which delayed the process.

He said it had been hoped to charter a single wide-bodied aircraft to take back more than 200 boat people in one batch, but the Vietnamese authorities were unable to cope with such a large number.

The UNHCR has been hoping a substantial number of boat people could be returned voluntarily to Vietnam before the middle of October when resettlement nations and countries of first asylum meet to examine the success of the program.

So far this year 263 boat people have returned to Vietnam from Hong Kong. A far smaller number are said to have returned from Malaysia and Thailand.

British officials are still discussing the possibility of mandatory repatriation with Vietnamese authorities.

### Controversy Continues Over Status of Lee, Sze-to

#### Conditions Outlined

HK24080/21089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1422 GMT 23 Sep 89

"Lee Cho-ming and Sze-to Wah Can Only Regain the Basic Law Drafting Committee if They Abandon Their Stand of Attempting To Subvert the PRC Government"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 23 Sep (ZHONGGUO XINWEN SHE)—The Hong Kong media have recently reported that Lee Cho-ming [Martin Lee], the "vice chairman" of the "Hong Kong Support Alliance" has stated that that he will return to work as a member of the Hong Kong Special Administrative Region Basic Law Drafting Committee [BLDC], and that Sze-to Wah, "chairman" of the "Hong Kong Support Alliance" has also said that if the citizens want him to resume work in the BLDC, he will consider the matter carefully. One reporter specially visited the BLDC secretariat regarding this matter.

A secretariat spokesman said that since June this year Lee Cho-ming and Sze-to Wah have done many things extremely incompatible with their status as BLDC members. The "Hong Kong Support Alliance"—of which they are chairman and vice chairman—has publicly stated that its goal is to overthrow the present Chinese Government and has engaged in a series of activities to this effect, and these two, as chiefs of this organization, can hardly excuse themselves for this. They have described the Chinese Government as a "sham government," and declared that so long as the present Chinese Government continues in existence they will not take part any longer in drafting the Basic Law. Lee Cho-ming has also urged a review of the Sino-British Joint Declaration, bubbling that handing 5.5 million Hong Kong people over to China would be like the British Government handing over 5.5 million Jews on British territory to Nazi Germany during World War II. Lee Cho-ming

and Szeto Wah have also been to the United States and Canada where they have appealed to these and other countries to take sanctions against China. Until quite recently, they were declaring that they meant what they said and would absolutely not take part in drafting the Basic Law.

With regard to Lee Chu-ming's recent statement that he would be willing to resume the work of drafting the Basic Law, the spokesman pointed out that the BLDC itself welcomes the resumption of work by its members. However, since Lee Chu-ming and Szeto Wah have lost the most basic qualifications for membership of the BLDC by their recent words and deeds, many members of the Committee are extremely unhappy over this move. We therefore hold that before resuming work on drafting the Basic Law, Lee Chu-ming must give a public explanation, and must also announce that he is abandoning his original stand of hostility to the Chinese Government, of attempting to subvert it, and of trying to negate the Sino-British Joint Declaration. Szeto Wah should act in similar fashion if he wants to return to work in the BLDC.

The spokesman stated that members of the BLDC are appointed by the National People's Congress [NPC] Standing Committee. The BLDC will report this matter to the NPC Standing Committee, which will make a decision on it.

### Drafters Split on Lee's Return

HK2409025689 Hong Kong SOUTH CHINA  
SUNDAY MORNING POST in English 24 Sep 89 p.1

[By Bellette Lee]

[Text] Rebel Basic Law drafter Martin Lee Chu-ming will be barred from all future meetings of the Drafting Committee in a move which has split fellow members, informed sources say.

It is understood Mr Lee will not be notified about the December and February sessions of the Committee, or be sent documents of the meetings.

Sources said drafters are split on Mr Lee's return. Many feel he should not be allowed to "come and go as he pleases," but others are indifferent.

Mr Lee said he had received a letter from the Drafting Committee secretariat, dated September 13, which said a previous invitation issued in July was now invalid.

The latest letter indicated the schedule for the future meetings had been changed.

"But it provides no information about the new timetable," said Mr Lee.

Other drafters were told earlier this month that a planned meeting in January next year had been switched to February.

The liberal legislator is one of the 22 local people appointed by the National People's Congress (NPC) standing committee as a Basic Law drafter in 1985.

At a mass rally after the Beijing massacre he vowed to stay away from the Drafting Committee until the "Deng-Li-Yang" ruling clique stepped down.

But Mr Lee broke his vow two weeks ago when he announced his decision to re-join the Basic Law discussions to "safeguard the interest of Hong Kong people with a better mini-constitution".

His return to the drafters' table will cause severe embarrassment to the Chinese Government, which has taken a hard line on Mr Lee's support for the student movement in China.

In a thinly disguised attack on the liberal legislator and his colleague Mr Szeto Wah, a PEOPLE'S DAILY leading article in July accused the pair of counter-revolutionary activity.

Mr Lee yesterday told the SUNDAY MORNING POST he had heard the news of his Basic Law ban, but refused to comment on whether he would push forward with any further action.

It is understood he will disclose his plans on whether to pursue the matter later this week.

The leading liberal activist's announcement to re-join the Drafting Committee came three days before the mourning ceremony commemorating the 100th day after the Beijing massacre.

"We've no preparation at all. I'm puzzled as to why he has chosen now to return," a liberal said at the time.

Sources said Mr Lee's colleagues in the liberal camp were taken aback when they were told of his decision.

But Mr Lee said: "I've consulted my friends. Every one of them agrees to my return, for Hong Kong's interest as a whole—except one who is worried about my safety."

Sources said the liberals had planned to delay the announcement of the return of Mr Lee and Mr Szeto Wah, who had also vowed to desert the Drafting Committee, until more public discussions had taken place.

### UK Accused of Injuring Sino-Hong Kong Ties

HK2409025889 Hong Kong SUNDAY STANDARD  
in English 24 Sep 89 p.1

[By Stanley Leung]

[Text] The head of the New Hong Kong Alliance, Mr Lo Tak-shing, has condemned Britain for worsening Sino-Hong Kong relations when it suspended Joint Liaison Group work in July.

In an article published in two pro-China newspapers, Mr Lo called on Hong Kong people not to antagonise China.

Britain refused to attend the JLC meeting scheduled for July at a time when Sino-British cooperation was most needed. Mr Lo said.

The main architect of the proposed two-house system for the post-1997 Hong Kong government, Mr Lo said treating communists as enemies of Hong Kong would have an adverse effect on the territory.

He said most of Hong Kong's political forces were being used to resist China.

"Unfortunately, these forces are embroiled in the mainland's internal political struggles," he said.

Some people chanted slogans calling for the downfall of Chinese government while others were determined to convert Hong Kong into a centre where democracy could be used to fight communism, he said.

Mr Lo said it was an illusion that communist-ruled China was the enemy of Hong Kong people. This illusion was popular among civil servants, he said.

Mr Lo said China had been helping Hong Kong in many areas, including the supply of water, food and labour as well as providing Hong Kong with a huge potential market.

For the past 40 years, he said the People's Liberation Army had been guarding the Sino-Hong Kong border, preventing mainlanders from sneaking into the territory to share the results of Hong Kong's prosperity.

He said it was apparent the Gurkhas and Hong Kong police could never effectively guard the border against such an influx without the cooperation of the PLA.

Mr Lo said something should be done to help youngsters and civil servants understand and get along with their future sovereign state.

He also questioned whether Hong Kong had done enough to make people understand China's needs, expectations and difficulties.

"We desperately need to cultivate more exchanges with China during the transitional period," Mr Lo said.

He said the refusal of mainland drafters' to visit Hong Kong demonstrated the level of mutual distrust and respect.

He said he realised the difficulties involved in making people brought up under the colonial system understand they should get along with socialist China.

Mr Lo said a solution should be found as soon as possible to the question of how democracy and communism could accommodate each other.

### Editorial Urges 'Reconstruction' of PRC Ties

HK 240900Z 789 Hong Kong SOUTH CHINA  
SUNDAY MORNING PONT in English 24 Sep 89 p. 10

[Editorial: "Discretion Needed in Relations with China"]

[Text] Hong Kong activists who support the democratic movement in China should heed the warning from Senior Executive Councilor Dame Lydia Dunn about not interfering in the domestic affairs on the mainland for one reason and one reason only—their energy and ingenuity could be put to better use in the territory. As Hong Kong enters a latter phase of transition to Chinese sovereignty, it has to develop in earnest a better society under the "one country, two systems" concept. Those in Hong Kong who might share the idealism of Chinese students are not wrong in envisaging a progressive future for the mainland as the best safeguard of their own destiny. The idea that Hong Kong and China are interdependent to a large extent is based not on an illusion but on a realistic assessment of the growing economic, cultural and social links between the two disparate and yet symbiotic systems.

Dame Lydia is correct in seeing inherent risks in the zeal with which Hong Kong activists have dedicated themselves to the promotion of democratic change in China at a pace and scope that the present Beijing leadership cannot tolerate. China's reaction to the challenge from the territory has been predictably vehement, judging by an article penned by the director of the Hong Kong and Macao Affairs Office Mr Ji Pengli on a recent edition of the PEOPLE'S DAILY and other official media statements. The Party General Secretary, Mr Jiang Zemin, and other senior cadres have also deplored actions in Hong Kong which border on the subversive or at least provocative. While Chinese leaders may question the ultimate aim of Hong Kong political campaigns aimed at the Beijing Government, they must realise that the local exponents of political reform on the mainland have always acted within the law on the territory.

The notion that Hong Kong's future is intertwined with that of China is ironically one cultivated by the Beijing Government which since the Joint Declaration has periodically persuaded local compatriots to take a more abiding interest in the social, cultural, economic and artistic developments on the mainland. Politics cannot be surgically separated from other aspects of Chinese civilisation. Many in Hong Kong became enthralled by the situation in China with the rise of the protest movement because they saw clearly in the heady days of May that there were some indisputable parallels between the clamour for more freedoms on the mainland and their own desire for the continuance of similar liberties.

The belief in a better China is one shared by everyone, from the humble to the most powerful on the mainland and on the territory. Premier Li Peng told the visiting Soviet President Mikhail Gorbachev in May that the West did not have a monopoly on democracy and that



China would gradually open itself to greater popular participation in the process of governance. The only question is a matter of time, not principle and the route taken to get there.

Dame Lydia is no doubt concerned that Hong Kong activists advocating relentless struggle against the Chinese Government might incur the wrath of Beijing to the detriment of the territory which cannot afford to be a "hotbed" or a hot-bed of sedition against the People's Republic. Discretion may be a better part of valour in Hong Kong but, even if local activists should stop aiding dissidents and fugitives from the mainland, there is no guarantee that China might reciprocate. The Beijing Government has not relaxed its staunch opposition to the emerging consensus on the territory for more sweeping political change.

Since June Chinese officials have been outwardly hostile to any suggestion for bolder reforms in Hong Kong. Concessions by one party alone are no more than debasing appeasement and cannot be the same as reconciliation based on mutual understanding, which is what Hong Kong and China now need. A secure future for Hong Kong has to be founded on a fair partnership between the local population and the Chinese Government. This requires respect and trust, qualities which have been obviously absent not only for the past few months but, for many people, since the early days of the Joint Declaration.

The most telling test of China's attitude towards Hong Kong will come next week when local pressure groups and embryonic parties vote on a political model for the territory and when the Joint Liaison Group resumes its meetings this week. A Chinese Government that would accept without precondition the political model Hong Kong opinion makers have chosen and a cordial and productive JLG meeting would be convincing proof to the Hong Kong people that the ill feelings engendered by the events of May and June are being mended. As Hong Kong, Chinese and British relations return to normal, it is possible local activists would be less inclined to, in Mr Jiang's phrase, mix well water with river water—without prompting by the mainland or Dame Lydia.

Some Hong Kong liberals may have been foolish by seeking censure and trade sanctions against China. An economically weakened mainland will have negative repercussions on the territory. Hong Kong has a stake in a stable China and the reverse is just as true. While activists may have to reconsider their strategy, China too has to give Hong Kong some leeway as it strives to establish a truly unique system of life in the territory. Many may be seen to have been rash in giving overwhelming and unqualified moral and financial support to the doomed protest movement in China but they were inspired by noble goals, for this there can be no apology. As the visiting British Minister with Special Responsibility for Hong Kong Mr Francis Maude said last week, the time for rhetoric and threats has elapsed and that for reconstruction of ties has begun.

### Ji Pengfei Meets With Visiting Delegation

OH 2209/20289 Beijing XINHUA in English  
1128 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council met here today a group of visitors from the circles of film, television, arts and sports of Hong Kong.

The 21 visitors have been here to observe China's film festival, the Second China Art Festival and the Asian men's basketball championships.

Ji encouraged the visitors to have more contacts and exchanges with their counterparts on the mainland.

### Women's Study Group Meets Chen Muhua

OH 220900/289 Beijing XINHUA in English  
0847 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—Chen Muhua, vice-chairwoman of the National People's Congress Standing Committee, and president of All-China Women's Federation, met here today with a women's study group from Hong Kong.

The group was headed by Kong Ai Kyue, vice-president of Women Committee of the Chinese General Chamber of Commerce, and Chu Luen Fan, member of the board of directors of the Chamber of Commerce.

### Taiwan To Give Defecting PRC Swimmer Asylum

HK 25090/20189 Hong Kong SOUTH CHINA  
MORNING POST in English 25 Sep 89 p 1

[By Jacqueline Lee]

[Text] Arrested Chinese swimmer Yang Yang is fighting possible deportation to the mainland, while Taiwan is said to be arranging for him to have political asylum.

Yang lodged an appeal with the Hong Kong Immigration Tribunal yesterday after being arrested on Saturday for overstaying his visa.

The appeal, to be heard within 14 days, effectively shields Yang from any deportation, allowing time for Taipei to process his immigration papers.

Taiwanese Premier Li Huan said in a television interview yesterday that Yang could qualify for political asylum in Taiwan under special legislation, expected to be completed in the next few days allowing mainland dissidents to settle on the island.

Yang has been unsuccessful in attempts to seek political asylum in Hong Kong and a number of Western countries, including France and the United States.

He says he fears for his safety if he goes back to China because of his support for the student-led pro-democracy movement in Beijing.

He claims to have been a secret member of the New York-based Chinese Alliance for Democracy, which China has condemned for allegedly inciting student protests on the mainland.

He said he was also involved in helping wanted dissidents to leave China.

In a letter to the Governor, Sir David Wilson, Alliance vice-president Bill Wang said Yang could face imprisonment of at least eight years if he was sent back.

He said the Taiwan Government had agreed to grant Yang political asylum.

"However, it is our understanding that the procedure will take a few days to accomplish. For this reason, we strongly urge you to hold Mr Yang until arrangements can be made with the Government of Taiwan," the letter sent from Washington said.

Mr Wang said the group had negotiated with Taiwan and that the Nationalist Government had sent two people to Hong Kong to take Yang to Taiwan next week when the proper documents have been processed.

Yang, 20, and ranked China's number two swimmer last year, came to Hong Kong in March on a two-way permit and announced his intention to seek political asylum late last month after his visa expired.

Until his arrest by Immigration Department officers shortly after 5 am on Saturday, he had been in hiding.

Under the Immigration Ordinance, the department has 48 hours, or until 5 am today to decide what action to take.

A Government spokesman declined to comment on the case.

But Legislative Councillor and Queen's Counsel Martin Lee Chu-ming dispelled rumours last night that Yang might be deported today to China.

He said there was no question of Yang being removed from Hong Kong before the appeal was heard.

An official source noted that even if Yang's appeal with the Immigration Tribunal fails, he can take his case further to the Governor-in-council.

Legislator Hui Yin-fat said Hong Kong should deport Yang to another country.

"It is very likely that he would face arrest upon his return to China for what he has publicly said here. Rather than sending him to China, the Hong Kong Government could deport him to a third country to save embarrassment," he said.

Another alliance spokesman in Hong Kong, Mr Ray Lee, accused the Government of timing Yang's arrest to make it difficult for him to obtain help.

"Yang was arrested on Saturday, making efforts to save him extremely difficult as most government departments and foreign consulates are closed on Saturday afternoon and Sunday," Mr Lee said.

#### Trade Fair With Hottongjiang Closes 13 Sep

OH 2409/215589 Beijing XINHUA in English  
0926 GAIT 24 Sep 89

[Text] Hong Kong, September 23 (XINHUA)—Hong Kong's manufacturing reputation has successfully spread into north China through a pioneering Hong Kong-Hongjiang trade fair which ended September 13.

The Hong Kong Trade Development Council (TDC) reported that the Hong Kong delegation secured a total of 8.25 million H.K. dollars (1.1 million U.S. dollars) worth of on-the-spot orders during the three-day fair.

The fair, co-organized by the TDC and the China Council for the Promotion of International Trade (CCPIT) Harbin sub-council, was the first Hong Kong products promotion ever staged in northeast China.

Eight Hong Kong manufacturers displayed a wide selection of consumer products, including garments, jewelry, watches, housewares, electrical appliances, electronics and cameras at the provincial exhibition hall.

Visitors to the fair also included several delegations from the Soviet Union which is carrying out more border trade with the far north of China.

Coinciding with the trade fair was a seminar on Hong Kong's role in Sino-Soviet trade. Hong Kong's opportunities in the Sino-Soviet border trade were discussed.

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